



**Minutes of Management team meetings  
2016**

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 20 DECEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Fraser McKinlay  
 Caroline Gardner  
 Russell Frith  
 Fiona Kordiak

Apologies: None

In attendance: James Gillies, Antony Clark, Kirsty Gibbins and *item 2*  
 Robert Cumming  
 Anne Cairns *item 3*  
 Martin Walker *Item 5*

<b>1.</b>	<b>Minutes of the meeting of 6 December 2016</b>		
	The draft minutes dated 6 December 2016, were discussed and agreed as an accurate record of discussions.	<b>JWebber</b>	<b>Dec 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Making a Difference: Parliamentary Engagement</b>		
	<p><b>Robert Cummings, James Gillies, Antony Clark and Kirsty Gibbins joined the meeting.</b></p> <p>Diane McGiffen welcomed Robert Cummings to the meeting.</p> <p>Robert Cummings shared the presentation which set out the feedback from recent discussions with parliamentarians on aspects of Audit Scotland's work.</p> <p>Management Team welcomed the presentation and thanked Robert for sharing the findings.</p> <p>Following discussion, Management Team agreed to share the presentation with the Board at its meeting on 20 January 2017.</p> <p><b>Robert Cummings, James Gillies, Antony Clark and Kirsty Gibbins left the meeting.</b></p>		
<b>3.</b>	<b>Securing World Class Audit: Counter Fraud</b>		
	<p><b>Anne Cairns joined the meeting.</b></p> <p>Russell Frith and Anne Cairns introduced the draft Board report on Counter Fraud Arrangements, which had been previously circulated.</p> <p>Management Team discussed the report and suggested some amendments to the report to give the audit role more prominence in order to allow it to be used for a wider</p>		

	<p>audience.</p> <p>Following discussion, Management Team agreed the revised report would be communicated to staff in the New Year and would be considered by the Board at its meeting on 20 January 2017.</p> <p><b>Anne Cairns left the meeting.</b></p>		
<b>4.</b>	<b>Securing World Class Audit: Post Tender Review</b>		
	<p>Russell advised Management Team that following the Board meeting he had sent the Board paper to the external panel member, Fiona Daley and asked for any additional comments. The only additional suggestion related to an increase in the guidance available to tender review panel members on our expectations for each question which might then lead to a reduction in the amount of discussion at the moderation meeting.</p> <p>Following discussion, Management Team agreed that the additional information be included in the original Board report and fed back to the Board.</p>	<b>RFrith</b>	<b>Jan 2017</b>
<b>5.</b>	<b>Making a Difference: Performance Management Framework</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin introduced the report on the Performance Management Framework, a copy of which had been previously circulated.</p> <p>Management Team sought clarification on the relationship between the proposed strategic performance assessment framework and the performance management framework.</p> <p>Management Team also discussed the challenges of developing a one organisation approach to performance management which met operational, business group and strategic needs and made more effective use of the data available in different systems.</p> <p>Following discussion, Management Team agreed this should be the focus of the development work and Martin agreed to develop a revised approach and implementation plan.</p> <p><b>Martin Walker joined the meeting.</b></p>	<b>MWalker</b>	<b>Jan2017</b>
<b>6.</b>	<b>Draft Agenda: Management Team Meeting 10 January 2017</b>		
	<p>Management Team considered the proposed agenda, agreeing to move certain items to the later meeting on 17 January 2017.</p>		

<b>7.</b>	<b>Draft Agenda: Board Meeting 20 January 2017</b>		
	Management Team discussed the draft Board agenda, agreeing to include an update report on demonstrating best value in Audit Services Group.	<b>FKordiak</b>	<b>Jan 2017</b>
<b>8.</b>	<b>AOB</b>		
	There was no further business.		
<b>9.</b>	<b>Date of Next Meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 10 January 2017.</b>  <b>Apologies: None</b>  <i>Please give your apologies to Joy Webber (x1606)</i>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 6 DECEMBER 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
Fraser McKinlay  
Caroline Gardner  
Russell Frith  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker, Gemma Diamond, Brian Howarth, *item 2*  
Edward Stansfield, Morag Campsie, David  
Robertson, Gavin Byers and Stephen Boyle

<b>1.</b>	<b>Minutes of the meeting of 29 November 2016</b>		
	The draft minutes dated 29 November 2016, were discussed and agreed as an accurate record of discussions subject to minor amendment.  The confidential minute dated 29 November 2016, were agreed as an accurate record of the discussion.	<b>JWebber</b>	<b>Dec 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Making a Difference: Digital Audit in a Digital World</b>		
	<b>Martin Walker, Gemma Diamond, Brian Howarth, Edwards Stansfield, Morag Campsie, David Robertson, Gavin Byers joined the meeting.</b>  Fraser McKinlay welcomed everyone to the session and invited Gemma to share her presentation which looked at developing our shared perspective on digital.  During detailed discussion, Management Team considered our expectations and the key issues and priorities of delivering digital audit.  Following discussion, Management Team discussed next steps with Fraser and Martin Walker agreeing to discuss this further early in the New Year.  <b>Martin Walker, Gemma Diamond, Brian Howarth, Edwards Stansfield, Morag Campsie, David Robertson, Gavin Byers left the meeting.</b>	<b>FMcKinlay/ MWalker</b>	<b>Jan 2017</b>
<b>3.</b>	<b>Draft Agenda: Management Team Meeting 20 December 2016</b>		
	Management Team noted the draft agenda.		

4.	<b>AOB</b>		
	<p>Management Team discussed the forthcoming meetings of Remco and Audit Committee.</p> <p>Diane McGiffen advised Management Team that the Spring Budget Revision would be considered by the SCPA at the meeting on 21 December 2016 together with the budget submission.</p>		
5.	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 20 December 2016.</b></p> <p><b>Apologies: None</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 29 NOVEMBER 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Fraser McKinlay (Chair)  
Caroline Gardner  
Russell Frith  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: Diane McGiffen

In attendance: David Hanlon *items 2, 3, 4 and 5*  
David Blattman *items 4 and 5*  
Eddie Scott, Steve Murray *item 4*

<b>1.</b>	<b>Minutes of the meeting of 22 November 2016</b>		
	The draft minutes dated 22 November 2016, were discussed and agreed as an accurate record of discussions.	<b>JWebber</b>	<b>Nov 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: Audit Fees 2016/17</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>Russell Frith introduced the report on Audit Fees 2016/17, which had been previously circulated.</p> <p>Russell invited Management Team to note the work undertaken to update the sector model to reflect the agreed treatment of costs and David Hanlon confirmed the fees model had been updated to reflect the revised totals from the sector model and the treatment of firms' discounts and fees for central government audits.</p> <p>Management Team welcomed the assurance provided with regard to sustainability of the model in forthcoming years with potential opportunity to achieve further real terms reductions in fees while allowing flexibility to deal with additional work arising from the new financial powers.</p> <p>Russell and David agreed to return to consider the lessons learned from this exercise and return to Management Team early in the New Year.</p> <p>Turning to the draft communication, Management Team shared some detailed comments and Russell welcomed the suggestion to tailor the letters for those audited bodies who benefit from performance audit work, the inclusion of a link to the BV toolkit and agreed additional commentary was required for those bodies where fees were increasing.</p> <p>Management Team discussed the next steps and agreed the Board's formal approval would be requested by correspondence in advance of the budget submission going</p>	<p><b>RFrith/ DHanlon</b></p>	<p><b>Jan 2017</b></p>
		<b>RFrith/ DHanlon</b>	<b>Dec 2016</b>

	to the SCPA in early December. <b>David Hanlon left the meeting.</b>		
<b>3.</b>	<b>2016/17 Year End Forecast</b>		
	<p>David Hanlon introduced the report 2016/17 Year End Forecast report, which had been previously circulated.</p> <p>David invited Management Team to note and discuss the financial forecast to March 2017 which projected an underspend in the region of £481k and to consider the options available to reduce this further.</p> <p>Management Team welcomed the opportunity to consider the possibility of opening up a Voluntary Early Release Arrangement for 2017, the need for investment in the Leadership Group and recognising the need to continue to manage income and fees. Fiona Kordiak advised she would ask Mark Taylor to cost out the work in relation to New Financial Powers.</p>	<b>FKordiak</b>	<b>Dec 2016</b>
<b>4.</b>	<b>Building a Better Organisation: Reward</b>		
	<p><b>David Blattman, Eddie Scott and Steven Murray joined the meeting.</b></p> <p>Fiona Kordiak introduced the report on Building a Better Organisation: Reward, a copy of which had been previously circulated.</p> <p>Fiona invited Management Team to approve the recommendation to Remco of a proposal for the new reward system for main grade staff to the Remuneration and Human Resources Committee for its consideration at their meeting on 9 December 2016.</p> <p>During detailed discussion, Management Team provided feedback on the format and content of the proposed report, before turning to the financial implications of the proposal and the options for the transitional period over which the new arrangements should be introduced.</p> <p>David Blattman tabled additional papers which set out the detailed analysis for implementation and assimilation costs in April 2017.</p> <p>Management Team considered a number of factors including the financial cost of implementation, options of applying a maximum uplift and longer term modelling, timescale for transition, assimilation percentage level and engagement with PCS.</p> <p>Following discussion, Management Team welcomed the report which they approved, as amended, to Remco.</p>		

	<b>Eddie Scott and Steve Murray left the meeting.</b>		
<b>5.</b>	<b>Building a Better Organisation: VERA Scheme 2017</b>		
	<p>David Blattman introduced the VERA Scheme 2017 report, which had been previously circulated.</p> <p>David invited Management Team to recommend to Audit Scotland's Remuneration and Human Resources Committee the operation of a Voluntary Early Release Arrangement in 2017.</p> <p>Management Team welcomed the report and during discussion, David agreed to seek Cabinet approval, the application of a footnote in relation to staff who were in the LG pension scheme, check the Scottish Government's policy and prepare a communication for Diane to issue early next week.</p> <p>Following discussion, Management Team recommended the proposal for the operation of a VERA scheme in 2017 to Remco for their approval.</p>	<p><b>DBlattman</b></p> <p><b>DBlattman</b></p>	<p><b>Dec 2016</b></p> <p><b>Nov 2016</b></p>
<b>6.</b>	<b>Making a Difference: Confidential Item</b>		
	<p>This item is the subject of a confidential minute.</p> <p><b>David Hanlon and David Blattman left the meeting.</b></p>		
<b>7.</b>	<b>Draft Agenda: Management Team Meeting 6 December 2016</b>		
	Management Team noted the draft agenda.		
<b>8.</b>	<b>AOB</b>		
	There was no further business.		
<b>9.</b>	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 6 December 2016.</b></p> <p><b>Apologies: None</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 22 NOVEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: David Hanlon *item 2*  
 Elaine Boyd and John Gilchrist *item 3*  
 Martin Walker *items 5 and 6*  
 Alex Devlin *items 7 and 8*

<b>1.</b>	<b>Minutes of the meeting of 15 November 2016</b>		
	The draft minutes dated 15 November 2016, were discussed and agreed as an accurate record of discussions, subject to minor amendment.	<b>JWebber</b>	<b>Nov 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: Audit Fees 2016/17</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>Russell Frith introduced the report on Audit Fees 2016/17, which had been previously circulated.</p> <p>Russell invited Management Team to note the further review of fee models and allocation of fees and costs with particular focus on the treatment of chargeable and non-chargeable across sectors.</p> <p>During detailed discussion, Management Team considered the detailed breakdown in costs, including proposals on how they are funded and whether they are treated as an overhead or direct cost.</p> <p>Following discussion, Management Team agreed with the proposals on treatment and allocation of costs as set out.</p> <p>Turning to the proposed budget submission to the SCPA, Management Team sought assurance there was no requirement to revisit the proposal approved by the Board, subject to David Hanlon assessing any impact on the fee model.</p> <p>Fiona Kordiak also advised she would liaise with David in relation to allocation of audit days, MKI coding, resource and potential impact from EAFA work.</p> <p>Russell and David agreed to return to Management Team</p>		

	<p>next week with a full summary of the audit fees for 2016/17, review of fee income, communication strategy and audit fee letters.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>3.</b>	<b>Securing World Class Audit: Review of Audit Quality Arrangements</b>		
	<p><b>Elaine Boyd and John Gilchrist joined the meeting.</b></p> <p>Elaine Boyd introduced the report on Review of Audit Quality Arrangements, a copy of which had been previously circulated.</p> <p>Elaine shared with Management Team a presentation which set out the proposed approach for developing quality arrangements following a review to date of existing arrangements.</p> <p>Management Team welcomed the presentation and as a key corporate project for Audit Scotland, agreed with the proposal for ongoing engagement, internally and externally and recognised the learning and development opportunities available both in terms of training but also as part of one organisational working supported by BaBO.</p> <p>Following detailed discussion, Management Team agreed Elaine would liaise with the Corporate Quality Group to work through a detailed timeline, linking in with other existing working groups to capitalise on knowledge across Audit Scotland. With regard to communications, Management Team agreed with the proposed quality staff survey and continued engagement with the Leadership Group as well as the proposed external engagement.</p> <p>Management Team thanked Elaine and John and looked forward to a further update in March 2017.</p> <p><b>Elaine Boyd and John Gilchrist left the meeting.</b></p>	<b>EBoyd</b>	<b>Mar 2017</b>
<b>4.</b>	<b>Building a Better Organisation: Update</b>		
	<p>Fiona Kordiak provided a verbal update on the workstream following the recent staff workshops and ahead of the paper which would come to Management Team next week.</p> <p>The key points to note were the level of activity and engagement with staff in recent weeks on Reward, the number of colleagues who had volunteered as part of the Reward workshops, and the work IES were undertaking as part of the report going to Remco.</p> <p>Management Team welcomed the update.</p>		



7.	<b>Business Continuity Arrangements – Annual Review</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p>Alex Devlin introduced the Business Continuity Arrangements – Annual Review report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the annual review of the arrangements which had resulted in streamlined IT plans, Board and MT arrangements and included the new Inverness office. Alex requested Management Team to recommend the latest versions to the Audit Committee for their approval.</p> <p>Management Team discussed the update and welcomed the independent assurance received from Planb consulting on our arrangements.</p> <p>During discussion, Management Team agreed a number of changes to be flagged in the cover report to the Audit Committee.</p> <p>In response to a query around planning and preparation and our ability to deal with a major event, Alex advised Management Team a test exercise would take place in due course. Management Team also noted SABRE testing was scheduled.</p> <p>Following discussion, Management Team welcomed the continued improvements to the business continuity arrangements and approved the policies to the Audit Committee.</p> <p>Management Team agreed Alex would liaise with Elaine Boyd to raise awareness with the Leadership Group and audit teams following the new audit appointments to ensure staff were informed as to alternative routes, access to systems etc. With regard to accessing contact information, Alex advised a new platform had been built and he would liaise with IT to establish a timescale for delivery, in the meantime the information would be made available via OneDrive and in hard copy.</p>	<p><b>ADevlin</b></p> <p><b>ADevlin</b></p>	<p><b>Nov 2016</b></p> <p><b>Nov 2016</b></p>
8.	<b>Data Incident/Loss Report</b>		
	<p>Alex Devlin introduced the Data Incident/Loss report, which had been previously circulated.</p> <p>Alex invited Management Team to note there had been a total of five incidents/loss to report, all of which were considered to be low risk.</p> <p><b>Alex Devlin left the meeting.</b></p>		

9.	<b>Draft Agenda: Management Team Meeting 29 November 2016</b>		
	Management Team noted the draft agenda would also include a further report on audit fees.		
10.	<b>Draft Agenda: Accounts Commission Meeting 8 December 2016</b>		
	Management Team the agenda items for the next meeting of the Accounts Commission on 8 December 2016.		
11.	<b>AOB</b>		
	<p>Fiona Kordiak provided a verbal update in relation to EAFA audits.</p> <p>Fraser McKinlay provided a brief update on AD resourcing, a report on which would come to Management Team next week.</p>		
12.	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 29 November 2016.</b></p> <p><b>Apologies: Diane McGiffen</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 15 NOVEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *items 3,4,5,6 and 7*

<b>1.</b>	<b>Minutes of the meeting of 8 November 2016</b>		
	The draft minutes dated 8 November 2016, were discussed and agreed as an accurate record of discussions.	<b>JWebber</b>	<b>Nov 2016</b>
	The draft confidential minute dated 8 November 2016, was discussed and agreed as an accurate record. Fraser McKinlay provided a brief update on developments ahead of a further report to come to Management Team on 29 November.	<b>FMcKinlay</b>	<b>Nov 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: Communicating 2016/17 Audit Fees</b>		
	<p>Russell Frith introduced the report on Communicating 2016/17 Audit Fees, a copy of which had been previously circulated.</p> <p>Russell invited Management Team to note the further report which provided three possible options for transitional approaches to increases in audit fees arising on non-chargeable central government audits together with details of the impact of a phased increase to our budget and fee strategy.</p> <p>Management Team discussed the options presented and following detailed discussion sought a detailed breakdown of the various elements making up the non chargeable costs, totalling £208k, in order to fully understand both the impact of historical modelling and as well as the allocation of costs.</p> <p>Russell agreed to come back to Management Team next week with a detailed breakdown together with details of applying central charges before the application of auditor discounts.</p> <p>Management Team also discussed whether additional</p>	<b>RFrith</b>	<b>Nov 2016</b>

	support would be available given the implications this may have in relation to the budget and long term fee strategy.		
<b>3.</b>	<b>Review of Risk Register</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced the Review of Risk Register report, which had been previously circulated.</p> <p>Martin invited Management Team to note the risk register had been restructured to align with the corporate plan strategic objectives and welcomed any comments on the update.</p> <p>Management Team noted the removal of the ASG risk as agreed and the updated controls and actions under the Becoming World Class Programme and approved its submission to the Audit Committee for its consideration at their meeting on 9 December 2016.</p> <p>Management Team discussed the potential impacts of the new referendum and agreed a working group should be formed to consider high level scenarios. Fraser and Fiona agreed to discuss this further as part of the next meeting of the New Financial Powers Steering Group. In addition, Management Team also requested further detail be set out under Failure of Capacity risk to reflect the level of change in the organisation including new audit portfolios and BaBO.</p> <p>Following discussion, Martin agreed to update the report before its submission to the Audit Committee.</p>	<p><b>FMcKinlay/ FKordiak</b></p> <p><b>Dec 2016</b></p> <p><b>MWalker</b></p> <p><b>Nov 2016</b></p>	
<b>4.</b>	<b>Risk Interrogation – Value for Money</b>		
	<p>Martin Walker introduced the report on Risk Interrogation – Value for Money, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to review and comment on the risk interrogation prior to its submission for consideration by the Audit Committee.</p> <p>Management Team considered the report following the internal audit report discussed at the meeting of Management Team on 8 November 2016.</p> <p>During detailed discussion, Management Team agreed the report should link to the impact of the recent procurement of audit appointments in terms of the cost of audit, reference anticipated developments over the next five years in terms of utilising the firms' experience and insight to capture a more systematic approach and include examples where we demonstrate value for money.</p>	<p><b>MWalker</b></p> <p><b>Nov 2016</b></p>	

	Following discussion, Management Team approved the submission of the report, once updated, to the Audit Committee.	<b>MWalker</b>	<b>Nov 2016</b>
<b>5.</b>	<b>Risk Interrogation Schedule 2017</b>		
	<p>Martin Walker introduced the Risk Interrogation Schedule 2017 report, which has been previously circulated.</p> <p>Martin invited Management Team to consider the proposed schedule of risk interrogations and welcomed any comments prior to its submission to the Audit Committee.</p> <p>Management Team noted the proposed schedule and agreed capacity should also be captured as part of the Failure to operate as one organisation scheduled for September 2017.</p> <p>Following discussion, Management Team agreed the programme be recommended to the Audit Committee.</p>	<b>MWalker</b>	<b>Nov 2016</b>
<b>6.</b>	<b>Internal Audit Report: Core Financials – Purchasing System</b>		
	<p>Martin Walker introduced the internal audit report on Core Financials – Purchasing System, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to note the substantial assurance received in terms of design and operational effectiveness and welcomed any comments.</p> <p>Management Team welcomed the positive assurance and the agreed action for implementation.</p> <p>Martin advised Management Team that the reports would be submitted to the Audit Committee for their consideration at the meeting on 9 December 2016.</p>	<b>MWalker</b>	<b>Nov 2016</b>
<b>7.</b>	<b>Internal Audit Recommendations Progress Report</b>		
	<p>Martin Walker introduced the Internal Audit Recommendations Progress Report, which had been previously circulated</p> <p>Martin invited Management Team to note progress on the implementation of outstanding audit recommendations.</p> <p>Management Team welcomed the update on progress which would be shared with the Audit Committee at its meeting on 9 December 2016.</p> <p><b>Martin Walker left the meeting.</b></p>	<b>MWalker</b>	<b>Nov 2016</b>

8.	<b>Draft Agenda: Management Team Meeting 22 November 2016</b>		
	Management Team noted the draft agenda would also include a further report on audit fees.		
9.	<b>Draft Agenda: Leadership Group Meeting 23 November 2016</b>		
	Management Team discussed and agreed the agenda items for discussion for the next meeting of the Leadership Group.		
10.	<b>Draft Agenda: Audit Committee Meeting 9 December 2016</b>		
	Management Team noted the proposed agenda for the meeting of the Audit Committee on 9 December 2016.		
11.	<b>Draft Agenda: Remuneration and Human Resources Committee Meeting 9 December 2016</b>		
	Management Team noted the proposed agenda for the meeting of the Remuneration and Human Resources Committee on 9 December 2017.		
12.	<b>AOB</b>		
	<p>Diane McGiffen advised Management Team of discussions between the Chair and our lawyers to consider matters around quorum, the expansion of the waiver and substitute attendees.</p> <p>Caroline Gardner referred to the letter received from John McCormick, Chair to the Commission on Parliamentary Reform. Management Team discussed our engagement with the Commission and Presiding Officer, Ken Macintosh MSP and Fraser advised Antony Clark would link in with them in the first instance.</p>		
13.	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 22 November 2016.</b></p> <p><b>Apologies: Caroline Gardner</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 8 NOVEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon **items 3 and 4**  
 Martin Walker **item 5**  
 Ian Metcalfe **item 6**  
 James Gillies **items 7 and 8**  
 Brian Howarth **items 7 and 8**

<b>1.</b>	<b>Minutes of the meeting of 11 October 2016</b>		
	<p>The draft minutes dated 11 October 2016, were discussed and agreed as an accurate record of discussions, subject to minor amendment.</p> <p>Management Team took the opportunity at the start of the meeting to check in around the table on developments in their respective areas, reflecting on a particularly busy period since their last meeting.</p>	<b>JWebber</b>	<b>Nov 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: Communicating 2016/17 Audit Fees</b>		
	<p>Russell Frith introduced the report on Communicating 2016/17 Audit Fees, which had been previously circulated.</p> <p>Russell invited Management Team to note the report and supporting draft communications and welcomed any comments on the key messages and proposed communication with audit bodies to advise them of their respective audit fees, which have been set subject to consideration of our budget by the SCPA.</p> <p>Management Team welcomed the report and provided feedback and comments on both the draft fee letter and <i>Our approach to fee setting</i>.</p> <p>Turning to the process, Caroline Gardner enquired what plans there were to phase larger than anticipated increases in fees to bodies and over what period. Russell advised the biggest factor in relation to the increases related to historic cost modelling where sectors haven't been consistently picking up the same level of costs in relation to non chargeable items.</p>	<b>RFrith</b>	<b>Nov 2016</b>

	<p>Management Team agreed it was imperative to ensure increased transparency and balance to fee setting.</p> <p>Russell agreed to return next week with proposals on phased increases and implementation prior to consulting with the Board ahead of audit fees being issued.</p>		
<b>3.</b>	<b>Building a Better Organisation: Finance Team Update</b>		
	This is a confidential item and the subject of a separate confidential minute.		
<b>4.</b>	<b>Q2 Financial Performance</b>		
	<p><b>David Hanlon joined the meeting</b></p> <p>David Hanlon introduced the Q2 Financial Performance report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note the level of underspend for the six months to September 2016 and sought approval for the report to be presented to the Audit Scotland Audit Committee at its meeting on 9 December 2016.</p> <p>Management Team considered the results reported and considered the areas of expenditure are broadly in balance to expectations, recognising budgets are being better managed and we are running close to establishment. One area to discuss further was work in progress and rebasing of fees which David Hanlon and Fiona Kordiak would take forward.</p> <p>David Hanlon advised work was underway on the year end forecast which he would like to return with in three weeks. Management Team agreed to consider the possibility of offering a VERA scheme next year, should budget be available.</p> <p>Following discussion, Management Team approved the report be submitted to the Audit Committee in due course.</p>	<p><b>DHanlon/ FKordiak</b></p> <p><b>DHanlon</b></p>	<p><b>Nov 2016</b></p> <p><b>Nov 2016</b></p>
<b>4.</b>	<b>2016/17 Spring Budget Revision</b>		
	<p>David Hanlon introduced the 2016/17 Spring Budget Revision report, which had been previously circulated.</p> <p>David invited Management Team to approve the request to submit a report to the Audit Scotland Board seeking their approval to request an amendment to our 2016/17 budget to fund increased pension charges amounting to £1,041k.</p> <p>Management Team considered the proposal and agreed the Board would be asked to approve a request be submitted to the SCPA in order to meet additional pension charges..</p>		

	<b>David Hanlon left the meeting.</b>		
<b>5.</b>	<b>Internal Audit Report</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced two internal audit reports, copies of which had been previously circulated.</p> <p>(a) Value for Money</p> <p>Martin invited Management Team to note the substantial assurance received in terms of design and operational effectiveness and welcomed any comments.</p> <p>Management Team welcomed the positive assurance and the recommendations accepted and agreed an early discussion at Leadership Group on Value for Money would be welcomed.</p> <p>(b) Staff recruitment and induction</p> <p>Martin invited Management Team to note the substantial assurance received in terms of design and operational effectiveness and welcomed any comments.</p> <p>Management Team again welcomed the assurance received, noting and agreeing with the recommendations.</p> <p>Martin advised Management Team that the reports would be submitted to the Audit Committee for their consideration at the meeting on 9 December 2016.</p> <p><b>Martin Walker left the meeting.</b></p>	<p><b>RFrith/ MWalker</b></p> <p><b>MWalker</b></p>	<p><b>Early 2017</b></p> <p><b>Dec 2016</b></p>
<b>6.</b>	<b>Making a Difference: Carbon Scrutiny Update</b>		
	<p><b>Ian Metcalfe joined the meeting.</b></p> <p>Ian Metcalfe introduced the report Carbon Scrutiny Update, a copy of which had been previously circulated.</p> <p>Ian invited Management Team to note the 2015/16 carbon data due to be submitted as part of the public sector climate change duties and sought approval of the Audit Scotland Environmental policy and change to the publication date of the annual report.</p> <p>Management Team considered the report. During discussion Management Team agreed there should be a short introduction to each of the sections in the policy.</p>		

	<p>Management Team also considered the reduction of CO2 levels as the impact of Time, Place, Travel and company cars is considered going forward.</p> <p>Management Team agreed the report would be considered by the Board at its next meeting.</p> <p><b>Ian Metcalfe left the meeting.</b></p>	<b>IMetcalfe</b>	<b>Jan 2017</b>
<b>7.</b>	<b>Communications Digest</b>		
	<p><b>James Gillies and Brian Howarth joined the meeting.</b></p> <p>James introduced the Communications Digest, which had been previously circulated.</p> <p>James invited Management Team to note the key highlights from report.</p> <p>Management Team welcomed the report.</p>		
<b>8.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Brian Howarth introduced the Hotlist of Emerging Audit Risks, a copy of which had been previously circulated.</p> <p>Brian invited Management Team to note the updates and the addition of one new risk.</p> <p>Management Team discussed the report and noted this should be noted as an audit working paper.</p> <p><b>James Gillies and Brian Howarth left the meeting.</b></p>		
<b>9.</b>	<b>Making a Difference: Confidential item</b>		
	This item is subject to a separate confidential minute.		
<b>10.</b>	<b>Draft Agenda: Management Team Meeting 15 November 2016</b>		
	Management Team noted the draft agenda would also include a further report on audit fees.		
<b>11.</b>	<b>Draft Agenda: Accounts Commission Committees Meeting 24 November 2016</b>		
	Management Team noted the draft agenda.		
<b>12.</b>	<b>AOB</b>		
	There was no further business.		
<b>13.</b>	<b>Date of Next Meeting</b>		

	<p>The next Management Team meeting will be held on: <b>Tuesday 15 November 2016.</b></p> <p><b>Apologies: None</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		
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**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 11 OCTOBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Russell Frith  
 Fraser McKinlay  
 Joy Webber (Minutes)

Apologies: Caroline Gardner  
 Fiona Kordiak

In attendance: David Hanlon *items 3, 4 and 5*  
 Rachel Parker *item 4*  
 Dorothy Lavery *item 5*  
 Iain Lochhead *item 5*  
 Neil Cartlidge *item 5*  
 Paul Reilly *item 8*

<b>1.</b>	<b>Minutes of the meeting of 27 September 2016</b>		
	The draft minutes dated 27 September 2016, were discussed and agreed as an accurate record of discussions, subject to minor amendment.	<b>JWebber</b>	<b>Oct 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Making a Difference: Procurement Update</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the Procurement Update report, a copy of which had been previously circulated.</p> <p>David invited Management Team to note progress on procurement activity and sought approval to publish contracts on our website.</p> <p>Management Team noted progress in relation to procurement matters and welcomed the assurance that we continue to meet legal requirements as well as work underway to continue developing our relationship with the shared service support team.</p> <p>Following discussion, Management Team agreed David would consider what if any impact EU procurement rules would mean for Audit Scotland and welcomed sight of the forthcoming assessment report following our PCIP Healthcheck which is taking place in November 2016.</p>	<b>DHanlon</b>	<b>Nov 2016</b>
<b>3.</b>	<b>Building a Better Organisation: Finance Team Update</b>		
	This is a confidential item and the subject of a separate confidential minute.		

4.	<b>Building a Better Organisation: Workforce Plan</b>		
	<p><b>Rachel Parker joined the meeting</b></p> <p>David Hanlon introduced Workforce Plan report, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider the proposed plan alongside the draft Budget for 2017/18 and welcomed any comments in advance of it being shared with Audit Scotland's Remco, PCS and colleagues.</p> <p>Management Team considered the draft and agreed it was well written and continued to improve year on year.</p> <p>During discussion, Management Team agreed additional narrative be included around the forecast and in terms of the PDG element, set out the keys driver for investment in skills and competency going forward and broaden communications to reflect our work around engaging with stakeholders.</p> <p>Russell Frith also advised the figures in the column headed March 2016 of Table 2 didn't add up.</p> <p>Following discussion, Management Team approved the Plan subject to the noted amendments and Diane McGiffen agreed to email David Hanlon and Rachel Parker with additional narrative to include in the summary.</p> <p><b>David Hanlon and Rachel Parker left the meeting.</b></p>	<b>DMcGiffen</b>	<b>Oct 2016</b>
5.	<b>Q2 Correspondence Performance Report 2016/17</b>		
	<p><b>Dorothy Lavery, Iain Lochhead and Neil Cartlidge joined the meeting.</b></p> <p>Management Team welcome Neil Cartlidge as the new Correspondence Manager and thanked Iain Lochhead for his contribution during his appointment.</p> <p>Iain Lochhead introduced the Q2 Correspondence Performance Report 2016/17, which had been previously circulated.</p> <p>Iain invited Management Team to note progress in dealing with correspondence matters during the quarter, highlighting continued improvements over the period.</p> <p>During discussion, Management Team noted the opportunity to seek feedback on the service and quality of engagement and welcomed the proposal to log the nature of the correspondence received to help inform our audit work going forward.</p>		

	<b>Dorothy Lavery, Iain Lochhead and Neil Cartlidge left the meeting.</b>		
<b>6.</b>	<b>Draft Agenda: Management Team Meeting 8 November 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 8 November 2016, subject to minor amendment.	<b>JWebber</b>	<b>Oct 2016</b>
<b>7.</b>	<b>Draft Agenda: Board Meeting 27 October 2016</b>		
	Management Team noted the agenda for the Board meeting on 27 October 2016.  Diane McGiffen invited Management Team to note that a copy of the agenda for the forthcoming meeting of the Head of UK & Ireland Audit Agencies on 4 November 2016 would be shared with the Board for information, as well as a copy of the SPCA Official report from the meeting on 28 September 2016.		
<b>8.</b>	<b>Draft Agenda: Accounts Commission 10 November 2016</b>		
	<b>Paul Reilly joined the meeting.</b>  Management Team discussed the agenda for the next meeting of the Accounts Commission on 10 November 2016.  <b>Paul Reilly left the meeting.</b>		
<b>9.</b>	<b>AOB</b>		
	Fraser McKinlay advised Management Team of the pilot session for 10 or 12 people to be run later in the year on advanced presentation skills. Fraser would revert with further details.	<b>FMcKinlay</b>	<b>Nov 2016</b>
<b>10.</b>	<b>Date of Next Meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 8 November 2016.</b>  <b>Apologies: None</b>  <i>Please give your apologies to Joy Webber (x1606)</i>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 27 SEPTEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Russell Frith  
 Caroline Gardner  
 Fraser McKinlay  
 Fiona Kordiak  
 Nicola Constable (Minutes)

Apologies: Diane McGiffen

In attendance: Paul Reilly *item 3*  
 Martin Walker *items 4, 5 and 6*  
 David Blattman *items 4, 5 and 6*  
 Rachel Parker *items 4, 5 and 6*

<b>1.</b>	<b>Minutes of the meeting of 20 September 2016</b>		
	The draft minutes dated 20 September 2016, were discussed and agreed as an accurate record of discussions, subject to minor amendment.	<b>NConstable</b>	<b>Sept 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: Developments in Audit</b>		
	Russell Frith introduced the report on Developments in Audit, a copy of which had been previously circulated.		
	Russell highlighted the main sections of the FRC comments that is relevant to us and has implications on our work. Russell noted that since writing this paper two further reports have been published which have more relevance.		
	Discussion focussed on raising awareness internally on the papers and it was agreed to be a great opportunity for Elaine Boyd to take forward and establish it within her new role.	<b>RFrith</b>	<b>Oct 2016</b>
	Management Team agreed a version of this paper should go to the October Board meeting for information.	<b>RFrith</b>	<b>Oct 2016</b>
	Management Team followed the discussion on to data analytics. Fiona Kordiak noted that ASG plan to take four pilots within the new appointments as a starter to push data analytics.		
	Diane McGiffen suggested the option of opening all of this online to the organisation with the prospect of knowledge cafes to help raise awareness and it would be beneficial to have further discussions with L&D group on the skills side.	<b>JWebber</b>	<b>Dec 2016</b>

	Management Team agreed a further paper to be brought by the end of the year on all standards of digital auditing and data analytics.		
<b>3.</b>	<b>Public Audit in Scotland: Accounts Commission Mid Year Strategy Seminar Summary</b>		
	<p><b>Paul Reilly joined the meeting.</b></p> <p>Paul Reilly introduced the paper on the Accounts Commission Mid Year Strategy Seminar, a copy of which had been previously circulated.</p> <p>Paul highlighted the key areas the Accounts Commission had discussed and reflected on during the strategy seminar(s) and reported the requirement for Management Team to be assured that the strategy is moving forward and confirm they are aware and content with what is going on.</p> <p>Following detailed discussion of the paper Management Team thanked Paul for the update and noted the positive next steps being taken with engagement.</p> <p>Paul agreed to share the results of the survey taken by the Accounts Commission Members with Management Team.</p> <p><b>Paul Reilly left the meeting.</b></p>	<b>PReilly</b>	<b>Sept 2016</b>
<b>4.</b>	<b>Building a Better Organisation: Equal Pay Review</b>		
	<p><b>David Blattman, Rachel Parker and Martin Walker joined the meeting</b></p> <p>David Blattman introduced the Equal Pay Review Report, a copy of which had been previously circulated.</p> <p>David noted the report was a thorough analysis and provide useful assurance.</p> <p>Rachel provided an updated on the gender percentage on training and recruitment following the production of this report.</p> <p>Following discussion, and subject to amendments from Management Team comments, the report was approved website publication and discussion at the Remuneration &amp; Human Resources Committee meeting in December.</p>	<b>DBlattman</b>	<b>Dec 2016</b>
<b>5.</b>	<b>Building a Better Organisation: Confidential Item</b>		
	This item is the subject of a separate confidential minute.		
<b>6.</b>	<b>Building a Better Organisation: Confidential Item</b>		
	This item is the subject of a separate confidential minute.		

<b>7.</b>	<b>Draft Agenda: Management Team Meeting 4 October 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 4 October 2016, subject to minor amendment.	<b>NConstable</b>	<b>Sept 2016</b>
<b>8.</b>	<b>AOB</b>		
	There was no further business.		
<b>9.</b>	<b>Date of Next Meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 11 October 2016.</b>  <b>Apologies: Diane McGiffen</b>  <b><i>Please give your apologies to Joy Webber (x1606)</i></b>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 20 SEPTEMBER 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Russell Frith (Chair)  
Caroline Gardner  
Fraser McKinlay  
Fiona Kordiak  
Lorna McEwan (Minutes)

Apologies: Diane McGiffen

In attendance: Martin Walker *items 2, 3, 4 and 5*  
Alex Devlin *item 4 and 5*

<b>1.</b>	<b>Minutes of the meeting of 6 August 2016</b>		
	The draft minutes dated 6 August 2016, were discussed and agreed as an accurate record of discussions, subject to minor amendment.	<b>LMcEwan</b>	<b>Sept 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Making a Difference: Public Sector Audit Risk and Assurance Framework</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced the report on Public Sector Audit Risk and Assurance Framework, a copy of which had been previously circulated.</p> <p>Martin highlighted the changes since the last report in March 2016. At the top level a new risk covering the uncertainties generated by the outcome of the EU referendum had been added and assessed as an amber risk. Risks had been reviewed and updated and redistributed as appropriate.</p> <p>During discussion, Management Team considered the project management of digital skills. Fraser McKinlay advised that Morag Campsie and Gemma Diamond had recently undertaken a piece of work reflecting our audit response to digital delivery and they would be well placed to provide information if required.</p> <p>Management Team noted the risks identified through the risk management arrangements and the subsequent responses.</p>		
<b>3.</b>	<b>Making a Difference: Time Recording System Update</b>		
	Martin Walker introduced the update report on our Time Recording System (TRS), a copy of which had been previously circulated.		

	<p>Martin reported that a working group had been established in March and had carried out an assessment of the current arrangements and a high level options identification.</p> <p>Management Team discussed and agreed the proposal to introduce the MKI expenses module for ASG colleagues with effect from October 2016, subject to the successful completion of the testing of data outputs to satisfy the needs of the Finance Team for the ledger and Navision and the MIS system. Management Team noted the benefits of moving to a single process for recording time and simplification of the expenses module both for colleagues and in terms of overall administration.</p> <p>Management Team noted that parallel running would take place between October and December 2016 with the aim to have an organisation-wide time recording solution in place by April 2017.</p>		
<b>4.</b>	<b>Making a Difference: Open Data and Open Data Plan</b>		
	<p><b>Alex Devlin joined the meeting</b></p> <p>Alex Devlin introduced the report on Open Data and Open Data Plan, a copy of which had been previously circulated.</p> <p>Alex informed Management Team that by June/July 2017, all public authorities in Scotland should be publishing their data in a format of three stars or above. Three star being data made available online, with an open license, in an open and machine-readable format.</p> <p>Following discussion Management Team agreed that the Board would not require sight of the open data plan and endorsed the remaining recommendations contained in the report.</p>		
<b>5.</b>	<b>Making a Difference: Memorandum of Understanding</b>		
	<p>Alex Devlin introduced the report on Memorandums of Understanding (MoU) that exist between Audit Scotland and other public bodies, a copy of which had been previously circulated.</p> <p>Management Team agreed that a more strategic approach was needed to MoUs with thought being given to what we are trying to achieve.</p> <p>Management Team noted the current register of MoUs.</p> <p><b>Alex Devlin and Martin Walker left the meeting.</b></p>		
<b>6.</b>	<b>Securing World Class Audit: Annual Audit Planning</b>		

	<p>Russell Frith provided an update on the arrangements made to date, for the Annual Audit Planning Conference. Management Team noted the following:</p> <ul style="list-style-type: none"> <li>the event would be shorter than in previous years;</li> <li>the primary focus would be a Q&amp;A approach;</li> <li>Kirsty Gibbins would facilitate a session;</li> <li>Russell would facilitate a short fees strategy and funding session; and</li> <li>the Health animation would not be shown at this particular event.</li> </ul>		
<b>7.</b>	<b>Draft Agendas: Leadership Group Meeting 5 October 2016</b>		
	Management Team noted the agenda for the Leadership Group meeting on 5 October 2016.		
<b>8.</b>	<b>Draft Agenda: Accounts Commission Meeting 6 October 2016</b>		
	<p>Subject to minor amendment, Management Team noted the agenda for the Accounts Commission meeting on 6 October 2016.</p> <p>Fraser McKinlay agreed to liaise with Paul Reilly in this respect.</p>	<b>FMcK</b>	<b>Sept 2016</b>
<b>9.</b>	<b>Draft Agenda: Management Team Meeting 27 September 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 27 September 2016, subject to minor amendment.		
<b>10.</b>	<b>AOB</b>		
	<p><b>SCPA</b></p> <p>The meeting to discuss the Annual Report and Accounts for 2015/16 will take place on Wednesday 28 September. Management Team noted Diane and Russell were meeting with the clerks on Monday 26 September to gain a clearer understanding of the format of the meeting.</p>		
<b>11.</b>	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 27 September 2016.</b></p> <p><b>Apologies: Fraser McKinlay (in part)</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 6 SEPTEMBER 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Fraser McKinlay  
 Fiona Kordiak  
 Russell Frith  
 Lorna McEwan (Minutes)

Apologies:  
 In attendance: Mark Taylor *item 2*  
 David Hanlon *items 2 and 3*  
 Fiona Mitchell-Knight *item 4*  
 Kerry Nelson *item 4*  
 David Blattman *items 4 and 7*  
 Gillian Woolman *items 5 and 6*

<b>1.</b>	<b>Minutes of the meeting of 30 August 2016</b>		
	The draft minutes dated 30 August 2016, were discussed and agreed as an accurate record of discussions. The confidential minute was also agreed subject to minor amendment.	<b>JWebber</b>	<b>Sept 2016</b>
<b>2.</b>	<b>Making a Difference: New Financial Powers Update</b>		
	<p><b>Mark Taylor and David Hanlon joined the meeting.</b></p> <p>Mark Taylor introduced the report which provided an update to Management Team on developments since the last update. The report would also be shared with the Board at their meeting on 15 September 2016.</p> <p>Following discussion, Management Team welcomed the update and thanked the team for all their hard work.</p> <p>Management Team discussed resourcing including Mark's split role, recognising the need for him to use the cluster group more to help. Mark advised resourcing was due to be discussed with the steering group and welcomed the additional support from Sarah Skerratt.</p> <p>Management Team noted that the consultation on social security was still open. Mark advised there was a meeting arranged in September with the project lead.</p> <p>Diane McGiffen advised Management Team of the update Mark had shared with colleagues across Corporate</p>		

	<p>Services which had been very information. Diane shared thanks from the team for the update.</p> <p><b>Mark Taylor left the meeting.</b></p>		
<b>3.</b>	<b>Securing World Class Audit: 2017/18 Budget Review and Fee Strategy</b>		
	<p>David Hanlon introduced the report 2017/18 Budget Review and Fee Strategy which had been updated and circulated following discussion on fees at last weeks Management Team meeting.</p> <p>David invited Management Team to consider an early draft of what the budget submission would look like and welcomed any initial comments.</p> <p>Management Team welcomed the report and provided detailed comments and feedback. Management Team agreed James Gillies would review the language of the submission to ensure it fully captured the key factors including NFP, BV, in-house efficiencies, engagement and work programme development. Management Team also sought more narrative around SCPA funding and sector costs.</p> <p>Turning to the fee strategy paper, Russell Frith invited Management Team to note this had been amended to remove duplication and include a new section on the review of fee setting arrangements.</p> <p>Management Team provided comments and feedback, including the need to reflect more positively what we want to achieve and what we have done.</p> <p>During detailed discussion, Management Team agreed the range of bodies we audit should be captured more clearly as well as the scale of changes in sectors. It would also be helpful to explain a bit more about the benefits of pooled costs.</p> <p>Turning to communicating to those audited bodies affected by any agreed changes in the fee strategy, Russell advised communication would be tailored to each sector. In terms of timing, that was subject to the SCPA and budget process. Fiona queried whether provisional fee letters could be issued in the meantime. Russell agreed to consider and revert.</p> <p>Following discussion, David Hanlon advised Management Team that updated documents would be issued for the</p>		

	<p>Board to consider at their meeting on 15 September 2016, in light of the forthcoming submission of proposals to the SCPA thereafter.</p> <p>Caroline Gardner confirmed a tripartite meeting for 20 September for agreeing Audit Scotland's budget submission.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>4.</b>	<b>Making a Difference: School Leavers/Apprenticeships</b>		
	<p><b>Fiona Mitchell-Knight, Kerry Nelson and David Blattman joined the meeting.</b></p> <p>Kerry Nelson introduced the report which took the trainee scheme with a view to extending it to school leavers.</p> <p>Fiona Mitchell-Knight briefed Management Team on the policies and proposed funding for the scheme and advised of HR input following their discussions with Investors in People. Fiona invited Management Team to consider the three options set out in the report.</p> <p>Management Team welcomed the report, noting the research taken to bring the options for consideration.</p> <p>Following discussion, Management Team agreed to go ahead with the CIPFA scheme, agreeing the team here would work closely with CIPFA. Management Team acknowledged the need to set guidance and manage any issues around transition. Management Team would welcome future updates on progress.</p> <p><b>Fiona Mitchell-Knight, Kerry Nelson and David Blattman left the meeting.</b></p>		
<b>5.</b>	<b>Communications Digest</b>		
	<p>Management Team noted the Communications Digest report.</p>		
<b>6.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p><b>Gillian Woolman joined the meeting.</b></p> <p>Gillian Woolman introduced the Hotlist of Emerging Audit Risks, which had been previously circulated.</p> <p>Gillian invited Management Team to note the shortened</p>		

	<p>version of the report before providing an update on the main points.</p> <p>Management Team welcomed the update. Gillian confirmed this was a restricted working paper with access limited to Assistant Directors.</p> <p>Following discussion, Management Team reflected on the assurance provided by the reporting and agreed that this and the previous item, Communications Digest, would come every two months unless there was anything major to highlight.</p> <p><b>Gillian Woolman left the meeting.</b></p>		
<b>7.</b>	<b>Draft Agenda: Remco Meeting 15 September 2016</b>		
	Diane McGiffen provided Management Team with an update to the draft agenda for the Remco which would be chaired by Ian Leitch.		
<b>8.</b>	<b>Draft Agenda: Board Meeting 15 September 2016</b>		
	<p>Management Team noted the agenda for the meeting of the Board on 15 September 2016.</p> <p>Caroline shared highlights from the recent Board Development event.</p>		
<b>9.</b>	<b>Draft Agenda: Management Team Meeting 13 September 2016</b>		
	Management Team noted the proposed agenda for their meeting on 13 September 2016.		
<b>10.</b>	<b>AOB</b>		
	There was no further business.		
<b>11.</b>	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 13 September 2016.</b></p> <p><b>Apologies:</b> Russell Frith</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 30 AUGUST 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Fraser McKinlay  
 Fiona Kordiak  
 Russell Frith  
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: David Hanlon *item 2*  
 John Gilchrist *item 3*  
 Owen Smith *items 3 and 4*  
 David Blattman *item 5*

<b>1.</b>	<b>Minutes of the meeting of 23 August 2016</b>		
	<p>The draft minutes dated 23 August 2016, were discussed and agreed as an accurate record of discussions.</p> <p>Diane McGiffen advised Management Team that James Gillies would progress with Item 4 on his return from annual leave.</p>	<b>JWebber</b>	<b>Sept 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: 2017/18 Budget Review</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the report on 2017/18 Budget Review, a copy of which had been previously circulated.</p> <p>David invited Management Team to consider the updated draft budget and cost projections, sector cost analysis and further information on the draft fee proposals for the 2016/17 audit year and Parliamentary support for 2017/18.</p> <p>During detailed discussion, Management Team considered the detailed sector cost analysis, the proposal to rebase fees and how that would impact on fees going forward. David Hanlon and Russell Frith advised that the agreed basis for fees and costs per sector should be sustainable for the coming years.</p> <p>Turning to potential audit fees for 2016/17, Management Team discussed the detailed breakdown of costs per sector and the corresponding increases/decreases in fees for audited bodies in year one of the new appointment round.</p>		

	<p>Following discussion, Management Team welcomed the ability to demonstrate the continued reduction in the cost of audit.</p> <p>David and Russell advised Management Team of continued work on the draft SCPA submission which will be shared with Management Team next week before the Board considers it at its meeting on 15 September 2016.</p> <p>Diane McGiffen advised Management Team of the members of the SCPA which had been confirmed this morning and Communications would prepare a short brief of the appointed members for information.</p> <p><b>David Hanlon left the meeting.</b></p>	<b>DHanlon/ RFrith</b>	<b>Sept 2016</b>
<b>3.</b>	<b>Securing World Class Audit: Review of Audit Procurement</b>		
	<p><b>John Gilchrist and Owen Smith joined the meeting.</b></p> <p>John Gilchrist introduced the report Review of Audit Procurement – Post Tender Review, which had been previously circulated.</p> <p>Management Team acknowledged the work undertaken in relation to the procurement process and the savings achieved as a result of the tender exercise.</p> <p>During discussion, Management Team reflected on the lessons learnt, specifically resource planning and earlier notification of conflicts of interest.</p> <p>Following detailed discussion, Management Team looked forward to learning more about how we will monitor and assess quality and the added value element of the new contracts.</p> <p><b>John Gilchrist left the meeting.</b></p>	<b>RFrith</b>	<b>Sept 2016</b>
<b>4.</b>	<b>Securing World Class Audit: Engagement with Firms</b>		
	<p>Russell Frith introduced the follow up report setting out proposals for engagement with the firms.</p> <p>Russell invited Management Team to consider and discuss the proposals set out.</p> <p>During discussion, Management Team reflected on the type and number of meetings being held and agreed there should be a clear purpose for each, with contribution not just from Audit Scotland but also from the new audit firms</p>		

	<p>and other stakeholders.</p> <p>Management Team discussed the current structure needed to change, with the purpose of the meeting informing who would chair, present and attend.</p> <p>In considering the forthcoming Annual Audit Planning Conference, Management Team discussed a shorter format with the primary focus being the new appointments and our shared ambition for public audit in Scotland.</p> <p><b>Owen Smith left the meeting.</b></p>	<b>RFrith</b>	<b>Aug 2016</b>
<b>5.</b>	<b>Building a Better Organisation: Confidential Item</b>		
	This item is the subject of a separate confidential minute.		
<b>6.</b>	<b>Building a Better Organisation: Confidential Item</b>		
	This item is the subject of a separate confidential minute.		
<b>7.</b>	<b>Provision of Legal Services from April 2017</b>		
	<p>Diane McGiffen invited Management Team to consider and agree the options set out in the report from Alex Devlin around the provision of legal services from April 2017.</p> <p>Management Team discussed and agreed to option 3 to extend the contract for one year.</p>	<b>ADevlin</b>	<b>Sept 2016</b>
<b>8.</b>	<b>Review of Information Governance Policies</b>		
	<p>Diane McGiffen invited Management Team to share any observations or comments on the updated information governance policies, copies of which had been previously circulated.</p> <p>Following discussion, Diane McGiffen advised of the need to ensure these were shorter, simpler and easier to understand.</p>	<b>ADevlin</b>	<b>Sept 2016</b>
<b>9.</b>	<b>Draft Agenda: Management Team Meeting 30 August 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 6 September 2016.		
<b>10.</b>	<b>AOB</b>		
	There was no further business.		
<b>11.</b>	<b>Date of Next Meeting</b>		

	The next Management Team meeting will be held on: <b>Tuesday 6 September 2016.</b>  <b>Apologies:</b> Caroline Gardner (in part)  <i>Please give your apologies to Joy Webber (x1606)</i>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 23 AUGUST 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Fraser McKinlay  
 Fiona Kordiak  
 Russell Frith  
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*  
 Sarah Skerratt *item 3*  
 James Gillies *item 4*  
 Alex Devlin *item 5*  
 Paul Reilly *items 5 and 6*

<b>1.</b>	<b>Minutes of the meeting of 16 August 2016</b>		
	The draft minutes dated 16 August 2016, were discussed and agreed as an accurate record of discussions, subject to minor clarification.  Management Team commented on the launch of the Health and Social Care Animation this week.	<b>JWebber</b>	<b>Aug 2016</b>
<b>Becoming World Class</b>			
<b>2.</b>	<b>Securing World Class Audit: 2017/18 Budget Review</b>		
	<b>David Hanlon joined the meeting.</b>  David Hanlon provided a verbal updated following on from discussions at the Board meeting last week where members had agreed the budget assumptions set out to enable the team to continue work on developing the budget proposals.  David then tabled an updated schedule which detailed the cumulative savings through years one to five. Management Team welcomed the update, reflected on a previous report to the Board setting out potential saving levels which would need to be captured in the next report for consideration.  Turning to the detailed analysis work which was required by sector and by audit, Management Team discussed the issues around under recovery and over recovery of costs, the impact on individual bodies in each sector as to the level of fees and where that may mean increased or	<b>DHanlon/ RFrith</b>	<b>Aug/Sept 2016</b>

	<p>decreased fees as part of the new appointment round.</p> <p>Following detailed discussion, Management Team agreed David and Russell would return next week to present options once further analysis had been undertaken.</p> <p>David Hanlon invited Management Team to consider again the possibility of an Autumn Budget Review. Management Team discussed and agreed not to submit a budget review.</p> <p><b>David Hanlon left the meeting.</b></p>	<b>DHanlon/ RFrith</b>	<b>Aug 2016</b>
<b>3.</b>	<b>Making a Difference: Being a “One Organisation” Resource</b>		
	<p><b>Sarah Skerratt joined the meeting.</b></p> <p>Sarah Skerratt introduced the report Being a “One Organisation” Resource inviting Management Team to consider and comment on the proposed timeline, priorities in relation to the proposed programme of work, communication of the role and agree implementation.</p> <p>Management Team welcomed the report which provided a clear and integrated overview of what we are currently doing and where this resource could be the strategic driver for continuous improvement to enhance the positive impact on public spending in Scotland.</p> <p>Following detailed discussion, Management Team agreed Sarah would attend Leadership Group meetings going forward and any other key meetings relating to the agreed priorities, one being the next ASG Managers meeting.</p> <p>Fraser McKinlay and Sarah agreed to liaise in relation to communicating with colleagues.</p> <p>Management Team would welcome an early paper from Sarah on Brexit and the early issues arising.</p> <p><b>Sarah Skerratt left the meeting.</b></p>	<b>SSkerratt/ FMcKinlay</b>  <b>SSkerratt</b>	<b>Aug 2016</b>  <b>Sept 2016</b>
<b>4.</b>	<b>Building a Better Organisation: Graphic Design Proposal</b>		
	<p><b>James Gillies joined the meeting.</b></p> <p>James Gillies introduced the report setting out the Graphic Design Proposal, a copy of which has been previously circulated.</p> <p>James invited Management Team to approve the recommendation to convert a fixed term post to permanent on the recommendation set out in the report and to recruit a</p>		

	<p>senior graphic designer to lead on development and innovation in order to meet the changing needs and demands of the business.</p> <p>Management Team acknowledged the increased volume of reports being published and recognised the need to continue to develop creativity and innovative ways of reporting.</p> <p>Following discussion, Management Team supported the role proposals as set out and requested James clarify with the HR&amp;OD manager the reporting lines for the integrated design team.</p> <p><b>James Gillies left the meeting.</b></p>	<b>JGillies</b>	<b>Aug 2016</b>
<b>5.</b>	<b>Building a Better Organisation: Social Impact Pledge</b>		
	<p><b>Alex Devlin and Paul Reilly joined the meeting.</b></p> <p>Alex Devlin introduced the Social Impact Pledge report, which had been previously circulated.</p> <p>Alex invited Management Team to consider the examples provided and discuss Audit Scotland's commitment to making a pledge.</p> <p>Management Team welcomed the report and noted the intention to submit a joint response with the Auditor General and the Accounts Commission.</p> <p>Following discussion, Management Team agreed with the initiative which underpins a lot of good community and charity work already undertaken with support from across the organisation and invited Paul and Alex to take this initiative forward with the Diversity and Inclusion Group.</p> <p><b>Alex Devlin left the meeting.</b></p>	<b>ADevlin/ PReilly</b>	<b>Aug 2016</b>
<b>6.</b>	<b>Draft Agenda: Accounts Commission Meeting 8 September 2016</b>		
	<p>Paul introduced the proposed agenda for the meeting of the Accounts Commission on 8 September.</p> <p>Management Team noted the draft agenda for the meeting.</p> <p><b>Paul Reilly left the meeting.</b></p>		

7.	<b>Draft Agenda: Management Team Meeting 30 August 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 30 August 2016.		
8.	<b>AOB</b>		
	There was no further business.		
9.	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 30 August 2016.</b></p> <p><b>Apologies:</b> Caroline Gardner</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 16 AUGUST 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Fraser McKinlay  
 Fiona Kordiak  
 Russell Frith  
 Lorna McEwan (Minutes)

Apologies: None

In attendance: Paul Reilly **item 2**  
 Kirsty Gibbins **items 3**  
 Antony Clark **items 3**  
 Martin Walker **items 4 and 5**  
 David Blattman **items 4 and 5**  
 Sarah Pollock **item 6**  
 Iain Lochhead **item 6**

1.	<b>Minutes of the meeting of 9 August 2016</b>		
	<p>The draft minutes dated 9 August 2016, were discussed and agreed as an accurate record of discussions, subject to clarification of actions and minor amendment.</p> <p>It was agreed that <i>Item 6 – Building a Better Organisation: Correspondence Manager Proposal</i> of today's agenda would not be treated as a confidential item.</p>	<b>LMcEwan</b>	<b>Aug 2016</b>
2.	<b>Public Audit in Scotland: Accounts Commission Mid Year Strategy Seminar</b>		
	<p><b>Paul Reilly joined the meeting.</b></p> <p>Paul Reilly introduced the report which informed Management Team about the Accounts Commission's proposed Mid-Year Strategy Seminar.</p> <p>Paul informed Management Team that an important part of the Mid-Year Strategy Seminar would be to consider the risks associated with external policy environment. Management Team noted that this had been considered at the recent meeting of Assistant Directors, the outcome of which would be fed into in the Seminar.</p> <p>Paul invited comments from Management Team and following discussion, it was agreed that the Seminar would provide a refresh of well developed processes and would present no major changes of direction.</p>		

	<p>Management Team invited Paul to provide an update of the Seminar in due course.</p> <p><b>Paul Reilly left the meeting.</b></p>	<b>PReilly</b>	<b>TBC</b>
<b>3.</b>	<b>Making a Difference: Health and Social Care Animation</b>		
	<p><b>Kirsty Gibbins and Antony Clark joined the meeting.</b></p> <p>Kirsty Gibbins introduced an animation and accompanying webpage based on Audit Scotland's recent work in health and social care.</p> <p>Kirsty informed Management Team that the animation was based on challenges facing the health and social care sector in Scotland and our audit recommendations to support improvement in these services, made in the following reports: NHS in Scotland 2015, Health and social care integration, and Changing models of health and social care.</p> <p>Management Team welcomed the animation and accompanying webpage and agreed that it was an excellent milestone in sharing good practice.</p> <p>Following a request from Management Team, Kirsty agreed to produce a short video to explain what 'audit' does.</p> <p><b>Kirsty Gibbins and Antony Clark left the meeting.</b></p>	<b>KGibbins</b>	<b>TBC</b>
<b>4.</b>	<b>Confidential Item</b>		
	This item is the subject of a confidential minute.		
<b>5.</b>	<b>Confidential Item</b> This item is the subject of a confidential minute.		
<b>6.</b>	<b>Building a Better Organisation: Correspondence Manager Proposal</b>		
	<p><b>Sarah Pollock and Iain Lochhead joined the meeting.</b></p> <p>Sarah Pollock introduced the report which sought Management Team's approval on the preferred approach for the recruitment of a new Correspondence Manager.</p> <p>Management Team invited the current post holder Iain Lochhead, to reflect on his experience of the post since his appointment in this fixed term position over one year. Iain gave a very favourable account of his time spent in the role as Correspondence Manager.</p> <p>Following discussion Management Team agreed that</p>		

	<p>internal recruitment for a new post holder for a period of 18 months to two years would be undertaken. Should we be unsuccessful in recruiting to the post internally, we would offer out the opportunity to the private firms and selected stakeholders.</p> <p>Management Team agreed to note the contents of the job description for the Correspondence Manager role.</p> <p><b>Sarah Pollock and Iain Lochhead left the meeting.</b></p>		
<b>7.</b>	<b>Draft Agenda: Management Team Meeting 23 August 2016</b>		
	Management Team noted the agenda for the Management Team meeting on 23 August 2016.		
<b>8.</b>	<b>AOB</b>		
	<p>Russell Frith gave an update on the applications received for the audit quality arrangements post.</p> <p>Management Team commended David Robertson, Nicola Paton and the ISG Team for successful completion of Phase Two ISO 27001:2013 and noted that the external auditor had recommended us for certification which would be ratified by a certification board in the next few weeks. A communication to all staff would be issued in due course.</p> <p>A discussion followed on the forthcoming firework celebrations taking place in Edinburgh and Management Team agreed that the West Port office would be made available to colleagues and families in the evening to view the celebratory events.</p>		
<b>9.</b>	<b>Date of Next Meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 23 August 2016.</b></p> <p><b>Apologies:</b> None</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 9 AUGUST 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Russell Frith (In part)  
Joy Webber (Minutes)

Apologies: Caroline Gardiner

In attendance: James Gillies *items 2 and 3*  
Mark Taylor *items 2, 3 and 4*  
David Hanlon *items 5, 6, 7, 8, 9, 10 and 11*  
Martin Walker *items 5, 6, 7, 8, and 9*

<b>1.</b>	<b>Minutes of the meeting of 26 July 2016</b>		
	<p>The draft minutes dated 26 July 2016, were discussed and agreed as an accurate record of discussions, subject to clarification of actions and minor amendment.</p> <p>Diane McGiffen advised Russell Frith had a prior appointment and would be late to join the meeting.</p>	<b>JWebber</b>	<b>Aug 2016</b>
<b>2.</b>	<b>Communications Digest</b>		
	<p><b>James Gillies and Mark Taylor joined the meeting.</b></p> <p>James Gillies introduced the report which highlighted key issues and media coverage in July 2016, including the first full meeting of the Public Audit Committee, coverage of <i>Audit of higher education in Scotland</i> and <i>Supporting economic growth</i> and forthcoming publications <i>Maintaining Scotland's roads</i> and <i>Scotland's colleges</i>.</p> <p>Management Team welcomed the report. Fraser McKinlay advised it would be useful to reflect on the publication schedule in due course in light of the backlog created for the Public Audit Committee. Fraser also expressed his and Management Team's thanks to James and the team for all their work.</p>		
<b>3.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Mark Taylor introduced the Hotlist of Emerging Audit Risks on behalf of Gillian Woolman, a copy of which had been previously circulated.</p> <p>Mark invited Management Team to note the report also contained certain updates from July's version to ensure</p>		

	<p>completeness in the absence of presenting the report to Management Team last month.</p> <p>Management Team discussed the four new risks identified and updates detailed therein.</p> <p><b>Russell Frith joined the meeting.</b></p> <p>Management Team discussed lobos and objections to accounts. Russell Frith agreed to review and revert.</p> <p><b>James Gillies left the meeting.</b></p>	<b>RFrith</b>	<b>Sept 2016</b>
<b>4.</b>	<b>Potential Implications of the EU Referendum Results</b>		
	<p>Mark Taylor introduced the report which provided an early assessment of the potential implications of the referendum vote for the UK to leave the EU for Audit Scotland's work.</p> <p>Management Team welcomed the report which was thorough in terms of capturing the possible implications of exit from the EU and requested setting out more clearly what we are doing and suggested further minor amendments to the report. The report was to be discussed at the Leadership Group meeting on Wednesday 10 August and following that would be issued to the Board for their consideration on 18 August 2016.</p> <p>In addition, Fraser McKinlay requested Mark speak with Paul Reilly to provide him with an update on the implications for local government for his report to the Accounts Commission meeting on Thursday of this week.</p> <p>As well as this report going to the Board on 18 August, Management Team noted a further update on the New Financial Powers was scheduled for September which would also be shared with the Accounts Commission.</p> <p>Following further discussion, Management Team agreed the report should be profiled with staff and PCS to provide reassurance that we continue to monitor and assess the changing environment for our work.</p> <p><b>Mark Taylor left the meeting.</b></p>	<p><b>MTaylor</b></p> <p><b>MTaylor</b></p> <p><b>MTaylor</b></p>	<p><b>Aug 2016</b></p> <p><b>Aug 2016</b></p> <p><b>Aug 2016</b></p>
<b>5.</b>	<b>Company Credit Cards</b>		
	<p><b>David Hanlon and Martin Walker joined the meeting.</b></p> <p>David Hanlon introduced the report which reviewed the current credit limits and sought approval from Management Team to increase the limit on David Robertson's company credit card from £5,000 to £10,000 in light of recurring</p>		

	<p>licence renewals for software packages and IT equipment which are required to avoid potential operational issues.</p> <p>Management Team agreed to the increase of the credit limit.</p>	<b>DHanlon</b>	<b>Aug 2016</b>
<b>6.</b>	<b>Award of Cleaning Contract</b>		
	<p>David Hanlon introduced the report which provided the results of the recent tender for the provision of cleaning services in our Edinburgh and Glasgow offices.</p> <p>David invited Management Team to note the tender process had been undertaken through the Public Contracts Scotland portal, with the tender criteria focussed on quality and cost.</p> <p>In addition and in light of our commitment, and accreditation, to the Living Wage Foundation, we seek contractors pay the Living Wage to staff employed on contracts. Management Team noted while this is not mandatory under EU law, only one of the suppliers offered a pricing schedule based on paying its staff the Living Wage.</p> <p>Following the tender analysis based on quality and financial Management Team approved the award of the cleaning contract to Sercon with a request for their staff to receive the Living Wage.</p> <p><b>Dorothy Lavery left the meeting.</b></p>	<b>DHanlon</b>	<b>Aug 2016</b>
<b>7.</b>	<b>Q1 Financial Performance Report 2016/17</b>		
	<p>David Hanlon introduced the Q1 Financial Performance Report 2016/17, which had been previously circulated.</p> <p>David invited Management Team to note the reported level of underspend for Q1 related largely to in-house fee income. Management Team noted we are operating close to establishment and a slight overspend on agency staff and secondments/summer placements.</p> <p>Management Team discussed expenditure looked tight for the quarter and agreed they would like to review on a monthly basis once fees are set.</p> <p>With regard to running close to establishment, Management Team discussed the likely number of trainees applying for roles early in 2017 and noted a further update on the BSS Review which was to come to Management Team next week.</p>	<b>DHanlon</b>	<b>Monthly to Apr 2017</b>

8.	<b>Q1 Corporate Performance Report 2016/17</b>		
	<p>Martin Walker introduced the Q1 Corporate Performance Report 2016/17, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to note the broadly positive picture of Q1 and highlighted two proposed changes 3.3 is now shown as green to recognise the new/improved product and 3.5 now reflected there was less data available given the different performance review process. Martin welcomed any comments on the report prior to its submission to the Board for its consideration.</p> <p>Management Team discussed the need to say more in relation to the products referred to as part of 3.3, and queried whether the commentary in 3.4 reflected the assurance received as part of the value for money internal audit report. Martin advised this would be captured as part of Q2 reporting.</p> <p>Management Team agreed the board report should cross reference the work involved as part of the review of the office move as well as the development of the quality framework which were also being considered by the Board.</p> <p>Management Team welcomed the progress reported.</p>	<b>MWalker</b>	<b>Aug 2016</b>
9.	<b>Q1 Becoming World Class Improvement Programme Report 2016/17</b>		
	<p>Martin Walker introduced the report which had been previously circulated.</p> <p>Martin invited Management Team to note the steady progress being made.</p> <p>Management Team recognised the progress reported, and agreed this should be more widely profiled with colleagues. Martin agreed to liaise with Communications.</p> <p><b>Martin Walker left the meeting.</b></p>	<b>MWalker</b>	<b>Aug 2016</b>
10.	<b>Securing World Class Audit: 2017/18 Budget Review</b>		
	<p>David Hanlon introduced the 2017/18 Budget Review report, which had been previously circulated.</p> <p>David invited Management Team to consider movements from the position presented on 26 July 2016 and provided an overview of the key numbers in support of achieving a real price reduction over five years of up to 10%.</p>		

	<p>During detailed discussion, Management Team considered the level of vacancy factor, whether we should allow some provision for maternity/paternity, review of the training and development budget in line with the workforce plan and the potential increase in travel and subsistence with the new audit locations.</p> <p>Management Team highlighted there were more unknowns about the level of change than in previous years so there was a need to ensure we had flexibility in order to meet new work arising from the new financial powers, Brexit, etc.</p> <p>Following detailed discussion, Management Team agreed to reduce the vacancy factor to 2%, to agree to a number of matters to enable projections to be worked up in advance of a further update to come to them on 23 August 2016.</p> <p>Diane McGiffen advised meetings to commence preparation of the submission to the SCPA had been scheduled over the next few weeks.</p> <p>Management Team thanked David for the work to date, noting the next steps to finalise expenditure projections, schedule of efficiencies, fee modelling and sector analysis.</p>	<b>DHanlon</b>	<b>Aug 2016</b>
<b>11.</b>	<b>Securing World Class Audit: Funding and Fees – Consultation Responses</b>		
	<p>Russell Frith provided a verbal update on the formal responses received on the Consultation following circulation of the report ahead of the deadline for submissions.</p> <p>Management Team noted there were 19 responses received which were largely positive overall, with no significant areas of concern raised.</p> <p>Russell advised he would update the report for the Board to reflect the final responses received.</p> <p>Management Team agreed a summary of the responses should be published, including details of the respondents.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>12.</b>	<b>Draft Agenda: Management Team Meeting 16 August 2016</b>		
	Management Team noted the agenda for the meeting of Management Team on 16 August 2016.		
<b>13.</b>	<b>AOB</b>		
	Diane McGiffen advised Management Team that she would be inviting feedback from a number of presenters of board	<b>DMcG</b>	<b>Aug 2016</b>

	papers which was intended to be used to inform the Board's forthcoming development day on 30 August 2016.		
<b>14.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 16 August 2016.</b></p> <p><b>Apologies:</b> Diane McGiffen</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 26 JULY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Fraser McKinlay  
 Caroline Gardner  
 Russell Frith  
 Lorna McEwan (Minutes)

Apologies: Fiona Kordiak

In attendance: David Hanlon **item 2**  
 Brian Howarth **item 2**  
 Angela Cullen **item 2**  
 Martin Walker **items 3, 4, 5 and 9**  
 Alex Devlin **item 3, 4 and 5**  
 Dorothy Lavery **item 6**

1.	<b>Minutes of the meeting of 19 July 2016</b>		
	The draft minutes dated 19 July 2016, were discussed and agreed as an accurate record of discussions.	<b>LMcEwan</b>	<b>July 2016</b>
2.	<b>Initial Budget Proposals 2017/18</b>		
	<p><b>David Hanlon, Brian Howarth and Angela Cullen joined the meeting.</b></p> <p>David Hanlon introduced the report which sought to present Management Team with information on the initial draft budget submission for 2017/18 and cost projections for the following four years.</p> <p>Management Team welcomed sight of the paper and suggested refinements to the cost projections presented in the schedules accompanying the paper. A discussion followed on the variancy factor of 3% which Management Team considered to be too tight and David agreed to provide further figures in this respect.</p> <p>Following a discussion on maternity and shared parental leave which was currently funded within existing resources when the vacancy factor is at 3%, David agreed to review patterns and numbers and provide an update to Management Team.</p> <p>A discussion then followed on agency staff and Management Team appreciated the continued '<i>one organisation</i>' commitment to resourcing.</p>		

	<p>David agreed to bring back a revised paper to a future meeting of Management Team.</p> <p><b>David Hanlon, Brian Howarth and Angela Cullen left the meeting.</b></p>	<b>DHanlon</b>	<b>Aug 2016</b>
<b>3.</b>	<b>Internal Audit Recommendations Update</b>		
	<p><b>Martin Walker and Alex Devlin joined the meeting</b></p> <p>Alex Devlin introduced the report which sought to update Management Team of progress towards the implementation of internal audit report recommendations, a copy of which had been previously circulated.</p> <p>Subject to minor amendment and the inclusion of specific implementation dates for both PABV programme development recommendations, Management Team approved submission of the report to the Audit Committee.</p>		
<b>4.</b>	<b>Internal Audit Report – Business Performance Management</b>		
	<p>Martin Walker introduced the Business Performance Report compiled by BDO as a result of the May/June audit.</p> <p>Management Team noted that one low level recommendation had been identified in respect of the evidence of clearer cross-referencing and linkage between Strategic and Operational plans and performance reports.</p> <p>Management Team approved the submission of the report to the Audit Committee.</p>		
<b>5.</b>	<b>Data/Incident Loss</b>		
	<p>Alex Devlin introduced the report which sought to update Management Team on reportable data incidents, a copy of which had been previously circulated.</p> <p>Management Team noted that since June 2016 there had been two incidents reported, both relating to the loss of Audit Scotland mobile phones.</p> <p>Management Team approved submission of the report to the Audit Committee.</p> <p><b>Martin Walker and Alex Devlin left the meeting.</b></p>		

6.	<b>Q1 Correspondence Performance Report</b>		
	<p><b>Dorothy Lavery joined the meeting.</b></p> <p>Dorothy Lavery introduced the report which sought to provide Management Team with an overview of correspondence activity during Q1 of 2016/17 and a summary of performance against our targets.</p> <p>Management Team welcomed the sustained improvement in performance and following discussion, agreed that the use of the four audit dimensions would not be appropriate when dealing with correspondence and complaints.</p> <p>The Correspondence Quality Assurance Framework would be emailed to Management Team for comment.</p> <p><b>Dorothy Lavery left the meeting.</b></p>	<b>ALL</b>	<b>July 2016</b>
7.	<b>Securing World Class Audit: Engagement with Firms</b>		
	<p>Russell Frith introduced the report which sought to facilitate an initial Management Team discussion about the nature and timing of our senior level engagement with firms.</p> <p>Russell invited Management Team to reflect on what we would like to achieve from engagement with the firms and a discussion followed on recent LG and FE Sector meetings and the level of engagement with the firms at those meetings.</p> <p>Russell agreed to liaise further with Fiona Kordiak in this respect before bringing an update to Management Team in August 2016.</p>	<b>RF/FK</b>	<b>August 2016</b>
8.	<b>Building a Better Organisation: Property Post Implementation Report</b>		
	<p>Fraser McKinlay introduced the draft report which sought to provide an overall assessment of the office move project to 102 West Port and the extend to which the goals were delivered.</p> <p>Following discussion and subject to minor amendment, Management Team approved the submission of the Post Implementation Report to the Board and to the SCPA. The Post Occupancy Study undertaken by haa design would be made available to staff on ishare.</p>		

<b>9.</b>	<b>Business Plans 2016/17</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker invited Management Team to consider and comment on the business plans for 2015/16 from each business group, copies of which had previously been circulated.</p> <p>Management Team welcomed sight of the more streamlined business plans and a discussion followed on performance measures and how we get continuity between the corporate plan and business plans and how we measure what we are reporting.</p> <p>The final versions of the business plans would be considered by Management Team mid August.</p> <p><b>Martin Walker left the meeting.</b></p>	<b>MW</b>	<b>Aug 2016</b>
<b>10.</b>	<b>Draft Agenda: Management Team Meeting 9 August 2016</b>		
	Subject to the inclusion of the Hotlist and Communication Digest, Management Team approved the contents of the draft Management Team agenda for the meeting scheduled to be held on 9 August 2016.		
<b>11.</b>	<b>Draft Agenda: Leadership Group Meeting 10 August 2016</b>		
	Management Team considered and approved the draft Leadership Group agenda for the meeting scheduled to be held on 10 August 2016. Diane would confirm details of the proposed LG development event.	<b>DMcG</b>	<b>July 2016</b>
<b>12.</b>	<b>Draft Agenda: Audit Committee Meeting 18 August 2016</b>		
	Management Team approved the contents of the draft Audit Committee agenda for the meeting scheduled to be held on 18 August 2016.		
<b>13.</b>	<b>Draft Agenda: Remuneration and Human Resources Committee Meeting 18 August 2016</b>		
	The draft Remuneration and Human Resources Committee meeting agenda would be circulated separately for comment.	<b>LMcE</b>	<b>July 2016</b>
<b>14.</b>	<b>Draft Agenda: Audit Scotland Board Meeting 18 August 2016</b>		
	Management Team considered and approved the draft Board agenda for the meeting scheduled to be held on 18 August 2016. Diane would liaise with the Chair in respect of item 14, EU Referendum Briefing.	<b>DMcG</b>	<b>July 2016</b>

<b>15.</b>	<b>Draft Agenda: Accounts Commission Committee Agenda 25 August 201</b>		
	Management Team approved the contents of the draft Financial Audit and Assurance Committee agenda for the meeting scheduled to be held on 25 August 2016.		
<b>16.</b>	<b>AOB</b>		
	Fraser reported that the internal audit at the Glasgow office in respect of ISO27001:13 had been very positive. It had identified minor areas for improvement and these would be addressed. Preparations for the second stage of the audit were underway and a communication to all staff would follow in this respect.	<b>FK</b>	<b>July 2016</b>
<b>17.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 9 August 2016.</b>  <b>Apologies:</b> Caroline Gardner <b><i>Please give your apologies to Joy Webber (x1606)</i></b>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 19 JULY 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Caroline Gardner (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Lorna McEwan (Minutes)

Apologies: Diane McGiffen  
Russell Frith

In attendance: Martin Walker *items 2, 3 and 4*  
Alex Devlin *item 4*

<b>1.</b>	<b>Minutes of the meeting of 28 June 2016</b>		
	The draft minutes dated 21 June 2016, were discussed and agreed as an accurate record of discussions.	<b>LMcEwan</b>	<b>July 2016</b>
<b>2.</b>	<b>Review of Risk Register</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Management Team invited Martin to give an update on the Corporate Risk Register. Martin informed Management Team of the two new risks on the register:</p> <ul style="list-style-type: none"> <li>• <i>Failure to assess the impact of and respond to the EU referendum result (risk 14); and</i></li> <li>• <i>Failure to comply with records management policy and legal requirements (risk 15).</i></li> </ul> <p>Management Team welcomed the inclusion of risk 14 on the risk register and agreed that it should remain a separate risk item for the time being. Following discussion it was agreed that Sarah Skerratt would be allocated to the team as an additional resource</p> <p>Following discussion of risk 15 it was agreed that the main risk was around compliance of Audit Scotland's standards and policy therefore this risk would be removed from the Corporate Risk Register and included in Business Group registers.</p> <p>Fiona informed Management Team that ASG systems access risk (covering connectivity and MKI performance) had been downgraded at the last ASGMT meeting and Martin would reflect this in the Corporate Risk Register prior to consideration by the Audit Committee on 18 August 2016.</p>	<b>FK/FMcK</b>	<b>July 2016</b>

<b>3.</b>	<b>Risk Interrogation – New Financial Powers and Fiscal Framework</b>		
	<p>Martin introduced the risk interrogation report on risk associated with the new financial powers and fiscal framework and invited comments from Management Team.</p> <p>Management Team welcomed sight of the report and subject to slight amendment (the inclusion of the invitation to the budget review process issued by Caroline) approved the report.</p> <p>Following further discussion <i>Value for Money</i> was identified as the next risk for interrogation.</p> <p>A discussion followed on the invitation by the Finance Committee for Audit Scotland to participate in the tripartite review of the budget process. Management Team agreed that this was a very good opportunity for the organisation and Caroline agreed to participate.</p>	<b>CG</b>	<b>ongoing</b>
<b>4.</b>	<b>Annual Review of Corporate Policies</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p>Alex Devlin introduced the report which invited Management Team to approve the submission of reports to the Audit Committee on 18 August on the annual review of the Corporate Governance Policies, Whistleblowing and Counter Fraud Policies and the policy on the provision of non-audited services to Audit Scotland.</p> <p>Management Team noted that following the Board Development event scheduled for 30 August changes may be made to Standing Orders.</p> <p>Following discussion Management Team approved submission of the reports to the August meeting of the Audit Committee.</p> <p><b>Martin Walker and Alex Devlin left the meeting.</b></p>		
<b>5.</b>	<b>Securing World Class Audit: Review of Quality Appraisal – Resourcing</b>		
	<p>Fiona introduced the paper which sought Management Team approval to undertake an internal recruitment exercise, at assistant director level, to lead a review of our audit quality arrangements.</p> <p>A discussion followed on full year cost of an assistant</p>		

	director at the bottom of the scale, plus oncosts. Fiona agreed to liaise further with David Hanlon today and to feed back to Management Team to allow the post to be advertised this week.	<b>FK</b>	<b>actioned</b>
<b>6.</b>	<b>Draft Agenda: Management Team Meeting 26 July 2016</b>		
	Following consideration of the draft agenda it was agreed that a colleague from ASG and PABV would be invited to the next meeting of Management Team to participate in Budget discussions.	<b>LMcEwan</b>	<b>actioned</b>
<b>7.</b>	<b>Draft Agenda: Accounts Commission Meeting 11 August 2016</b>		
	Following consideration of the draft agenda, Fraser would liaise with Paul Reilly to finalise the document.	<b>FMcK</b>	<b>July 2016</b>
<b>8.</b>	<b>AOB</b>		
	A discussion followed on the treatment of report publications contained within the Code of Audit Practice. Fiona would liaise with Comms in this respect.	<b>FK</b>	<b>July 2016</b>
<b>9.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 26 July 2016.</b>  <b>Apologies:</b> Fiona Kordiak <b><i>Please give your apologies to Lorna McEwan (x1689)</i></b>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 28 JUNE 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Lorna McEwan (Minutes)

Apologies: None

In attendance: Owen Smith *item 2*  
 David Hanlon *item 3*

1.	<b>Minutes of the meeting of 21 June 2016</b>		
	<p>The draft minutes dated 21 June 2016, were discussed and, subject to minor amendment, agreed as an accurate record of discussions.</p> <p>The confidential minutes dated 21 June 2016 were discussed and agreed as an accurate record of discussions.</p>	<b>LMcEwan</b>	<b>Jun 2016</b>
2.	<b>Securing World Class Audit: Review of Quality Appraisal</b>		
	<p><b>Owen Smith joined the meeting.</b></p> <p>Owen Smith introduced the Review of Quality Appraisal report, which had been previously circulated.</p> <p>Owen invited Management Team to discuss the amount and type of quality appraisal work that Audit Scotland needs to carry out during the next audit appointment cycle and also invited comments on the suggested engagement strategy.</p> <p>Management Team welcomed sight of the report and noted that quality appraisal had not been fundamentally reviewed for quite some time and that there was a need to revise certain aspects.</p> <p>Fraser reported that he had recently met with Owen and John Gilchrist and was keen to ensure a consistency across sectors and audits in terms of the identified risks, the associated audit work and reporting on this at audit completion. He suggested that it would be beneficial for the 'international experience' be monitored to determine the best quality experience in the world.</p>		

	<p>Broadly speaking, Management Team was content with the engagement strategy and expected outputs, but felt that the proposal to have the outputs in place by February 2017 was too late, and that key elements should be communicated in October 2016.</p> <p>Caroline requested that further thought be given to different roles and responsibilities with a view to providing an assurance to the Board.</p> <p>Management Team agreed that further discussion was needed surrounding managing expectation and providing a clear steer about the level of ambition.</p> <p>It was agreed that Caroline and Russell would liaise outwith the meeting as would Fiona and Fraser.</p> <p><b>Owen Smith left the meeting.</b></p>	<p><b>CGardner/ RFrith FMcKinlay/ FKordiak</b></p>	<p><b>ASAP</b></p>
<b>3.</b>	<b>Securing World Class Audit: Fees and Funding Update</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>Management Team invited David to give a brief update on our financial position. David informed Management Team that he would be issuing an email by the end of the week asking for confirmation of establishment numbers, flex salary budgets and cost profiles for non staff costs. David confirmed that known changes should be factored into figures. It was agreed that further discussion was needed as to how the narrative for the budget would be communicated.</p> <p>Russell thanked colleagues for comments on the draft Consultation on Audit Scotland fee arrangement paper. Russell reported that he had revised the paper to reflect comments from the Chair of the Board and the paper was now in its final form. Management Team noted that the issue of the paper would be followed by a six week consultation period before the results are reported to the Board on 18 August 2016.</p>		
<b>4.</b>	<b>Draft Agenda: Management Team Meeting 19 July 2016</b>		
	Management Team considered and noted the draft agenda.	<b>JWebber</b>	<b>Jun 2016</b>
<b>5.</b>	<b>AOB</b>		
	<p><b>Sarah Skerratt</b> Fraser reported that Sarah Skerratt's secondment to Audit Scotland would be extended for up to two years.</p>		

	<p><b>EU Referendum Results</b>  A discussion followed on the EU referendum results. Diane reported that Caroline's all staff email had been appreciated by colleagues and that Mark Taylor's share page and discussion board had also been well received. Diane would issue an all staff email to reflect Management Team discussions.</p> <p><b>Board update</b>  Diane reported that a Board development event would be held in August.</p>	<b>DMcGiffen</b>	<b>Jun 2016</b>
<b>6.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 19 July 2016.</b></p> <p><b>Apologies:</b> Diane McGiffen, Russell Frith</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 21 JUNE 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
Caroline Gardner  
Russell Frith (in part)  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *items 2, 3 & 7*  
David Blattman *items 2 & 3*  
Ronnie Nichol *item 7*

<b>1.</b>	<b>Minutes of the meeting of 7 June 2016</b>		
	The draft minutes dated 7 June 2016, were discussed and, agreed as an accurate record of the meeting.  The confidential minutes dated 7 June 2016 were discussed and subject to minor amendment, agreed as an accurate record of discussions.	<b>JWebber</b>	<b>Jun 2016</b>
<b>2.</b>	<b>Confidential item</b>		
	This item is recorded in a separate confidential minute.		
<b>3.</b>	<b>Confidential item</b>		
	This item is the subject of a separate confidential minute		
<b>4.</b>	<b>Draft Agenda: Management Team Meeting 28 June 2016</b>		
	Management Team considered and noted the draft agenda.	<b>JWebber</b>	<b>Jun 2016</b>
<b>5.</b>	<b>AOB</b>		
	No other business was considered.		
<b>6.</b>	<b>Making a Difference: Performance and Risk Workshop</b>		
	<b>Martin Walker and Ronnie Nicol joined the meeting.</b>  Martin Walker introduced the report Performance and Risk Workshop 2016, a copy of which had been previously circulated.  Martin invited Management Team to consider the report which provided an opportunity to reflect on overall performance before considering high level messages around performance and strategic risks.		

	<p>In turn, Management Team reflected on overall performance and commented on key priorities.</p> <p>During detailed discussion, Management Team acknowledged the annual report provided assurance on the work of Audit Scotland and the strong performance over the last year. Looking ahead, Management Team referenced the new financial powers agenda, increased scrutiny and the importance of longer term use of audit intelligence while recognising the work currently underway, as part of the Building a Better Organisation, to provide more capacity and flexibility to deliver this work.</p> <p>In addition, Management Team agreed the need to fine tune the Becoming World Class objectives to better reflect quality, assurance and priorities to ensure continued improvement. Management Team reflected on the importance of the financial strategy to achieve the right balance between cost, efficiency and value as part of the review of fees and funding.</p> <p>Turning to performance reporting, Management Team acknowledged a review of KPPs and KPIs was required to ensure we are using the right measures and discussed the benefits of a more automated process to enable tracking of performance and flagging areas needing attention.</p> <p>Management Team considered the current political environment including the new devolved powers to the Scottish Government, the forthcoming EU referendum and the public sector reorganisation.</p> <p>Following detailed discussion, Martin Walker advised he would prepare a summary document to capture the discussion which would be shared with PRMG and other stakeholders to develop appropriate actions.</p> <p>Ronnie Nicol welcomed the discussion and advised he would share a summary with the cluster groups providing assurance in relation to communicating and joining up between the clusters.</p>	<p><b>MWalker</b></p> <p><b>RNicol</b></p>	<p><b>Jul 2016</b></p> <p><b>Jul 2016</b></p>
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**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 7 JUNE 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith (in part)  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*  
 David Blattman *items 3 & 4*  
 David Robertson *item 3*  
 Martin Walker *items 4, 5 & 6*  
 James Gillies *items 4, 5 & 6*

<b>1.</b>	<b>Minutes</b>		
	The draft minutes dated 31 May 2016, were discussed and, subject to minor amendment, agreed as an accurate record of the meeting.	<b>JWebber</b>	<b>Jun 2016</b>
<b>2.</b>	<b>Securing World Class Audit: Fees and Funding</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>Russell updated Management Team on the discussion at the Board meeting on 2 June, when the Board discussed whether the proposed targets were achievable while maintaining quality and ensuring flexibility to meet future additional work.</p> <p>Management Team noted the Board's agreement to work over the summer to produce more sophisticated fee models for further consideration by them in August and September. Management Team welcomed the update, agreeing that it needed to reflect more widely the organisation's aspirations and work to becoming world class while meeting the quality and capacity demands..</p> <p>With regard to the fees consultation paper, Russell advised he was currently in the process of revising the document and would share this with Management Team later in the day for their consideration and comment in advance of issuing a revised consultation document with the Board by the end of the week.</p> <p>David Hanlon advised Management Team that budget holders would be receiving detailed budget information</p>	<b>RFrith</b>	<b>7 June 2016</b>

	<p>packs by 1 July to enable budget and workforce planning work to commence in the respective business groups.</p> <p>David advised Management Team of the timetable for returning with outline budget plans on 2 August and then to the Board on 18 August 2016.</p> <p>David agreed to check in with Fraser and Fiona on his return from annual leave during the week commencing 27 June 2016.</p> <p>Management Team welcomed the update and to receiving the revised draft fee consultation for comment.</p> <p><b>David Hanlon left the meeting.</b></p>	<p><b>Finance</b></p> <p><b>DHanlon</b></p>	<p><b>1 July 2016</b></p> <p><b>w/c 27 June 2016</b></p>
<b>3.</b>	<b>Building a Better Organisation: Interim Issues</b>		
	This item is the subject of a confidential minute		
<b>4.</b>	<b>Building a Better Organisation: Corporate Communications and Engagement Strategy</b>		
	<p><b>James Gillies and Martin Walker joined the meeting.</b></p> <p>James Gillies introduced the Draft Communications Strategy, a copy of which had been previously circulated.</p> <p>James invited Management Team to review and comment on the proposed strategy which had been updated to capture the changing world of communications, new political and media environment, the continuing development of Audit Scotland.</p> <p>Management Team welcomed the updated strategy which aligned with our other corporate policies and subject to the inclusion of suggested comments to reference our skills, ability and opportunities and some external feedback, this would be shared with the Board.</p> <p>James agreed to provide a review one year on to Management Team and, if appropriate, to the Board.</p>	<p><b>JGillies</b></p>	<p><b>June 2017</b></p>
<b>5.</b>	<b>Communications Digest</b>		
	<p>James Gillies introduced the Communications Digest, a copy of which had been previously circulated.</p> <p>James invited Management Team to note the key highlights being the good response from the CAP Futures publication, elections to the Scottish Parliament, the coverage over the 2016-17 budget setting process at Argyll &amp; Bute Council and the report highlighted young Scottish people from</p>		

	<p>deprived backgrounds being less likely to go to further education.</p> <p>Management Team welcomed the update and reflected on the Liam Fee case. Fraser advised he would liaise with the Fife Council team with regard to what role or interest we might have in advance of the meeting of the Accounts Commission later in the week.</p>		
<b>6.</b>	<b>Hotlist of Emerging Key Risks</b>		
	<p>Martin Walker introduced the Hotlist of Emerging Key Risks, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to review the four new risks, five updated risks together with the watchlist reported and consider if any further activity is required.</p> <p>In addition Martin provided a verbal update on a new risk which had come to light since the issue of the report last week.</p> <p>Management Team welcomed the update and had a general discussion around developments in relation to New Financial Powers and potential section 22s.</p> <p><b>Martin Walker and James Gillies left the meeting.</b></p>		
<b>Standing Items</b>			
<b>7.</b>	<b>Draft Agenda: Management Team meeting 14 June 2016</b>		
	<p>Management Team considered the draft agenda and attendance, agreeing the items for discussion would move to the following weeks meeting scheduled for 28 June 2016. The meeting on 14 June would therefore be cancelled.</p>	<b>JWebber</b>	<b>June 2016</b>
<b>8.</b>	<b>AOB</b>		
	<p>Diane provided Management Team with a brief summary of discussions at the Board, Audit Committee and Remco meetings on 2 June 2016.</p>		
<b>9.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 21 June 2016.</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 31 MAY 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
Caroline Gardner  
Russell Frith  
Fraser McKinlay  
Fiona Kordiak  
Nicola Constable (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*  
David Blattman *items 3 & 4*  
Alex Devlin *item 5*

<b>1.</b>	<b>Minutes</b>		
	The draft minutes dated 24 May 2016, were discussed and, subject to amendment, agreed as an accurate record of the meeting.	<b>JWebber/ RFrith</b>	<b>Jun 2016</b>
<b>2.</b>	<b>Securing World Class Audit: Financial Strategy</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon confirmed the updated paper had been issued to the Board for consideration with the agreed range of options as previously agreed.</p> <p>Management Team had a further discussion on the proposed target levels recognising efficiency efforts in later years would be more challenging. Fiona, Fraser and Diane provided updates on initial discussions with their respective teams and next actions.</p> <p>A detailed discussion followed on the key areas to meet the agreed target level, agreeing that underspends must be challenged early to bring them in line with budgets.</p> <p>Following discussion Management Team agreed to discuss at a later meeting the timetable and work required for implementation.</p> <p>Diane thanked Management Team for the helpful discussions.</p> <p><b>David Hanlon left the meeting.</b></p>	<b>DHanlon</b>	<b>Jul 2016</b>

3.	<b>Building a Better Organisation: Role Profiles</b>		
	<p><b>David Blattman joined the meeting</b></p> <p>David Blattman introduced the Role Profiles, which had been previously circulated.</p> <p>David invited Management Team to approve the Role Profiles to be used in the BaBO reward strand and to discuss the best career family for Audit Strategy.</p> <p><b>Role Profile/Zones</b> Management Team thanked David for the work completed on the project so far.</p> <p>During discussion it was noted that Management Team were happy with the generic role profiles which will lay the foundations to help to grow roles in the future. Diane commented that the Associate role in Corporate Services required rework to reflect the level of support tasks as well as the Ambassador role for the organisation.</p> <p>Management Team discussed the career lattice and agreed it was confusing and required simplifying to bring it up to date with the project. Fraser agreed to have a further discussion with David to develop the diagram.</p> <p><b>Audit Strategy</b> David updated Management Team on his meeting with Audit Strategy to assist with the discussion.</p> <p>Management Team agreed that separate role profiles for this specialist team was not the preferred option however welcomed the opportunity to integrate and capture their distinctive tasks into profiles already created.</p> <p>During discussion there was no strong view on the career family they should sit in, it was therefore agreed that the team would be given the choice. David advised he would discuss this with the team at their regular monthly meeting which was scheduled that afternoon.</p>	<p><b>FMcKinlay/ DBlattman</b></p> <p><b>DBlattman</b></p>	<p><b>Jun 2016</b></p> <p><b>May 2016</b></p>
4.	<b>Building a Better Organisation: Talent Management and Succession Planning</b>		
	This item is the subject of a separate confidential minute.		
5.	<b>Public Services Reform (Scotland) Act – Draft Statement on Exercise of Public Functions</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p>Alex Devlin introduced the Draft Statements, which had been previously circulated.</p>		

	<p>Alex noted that he did not use Central Government reports in the statements and invited Management Team to provide comments on the statements.</p> <p>Management Team discussed each statement and provided further examples to use within the content.</p> <p>Fiona flagged a minor point on the sustainable economic growth statement that Scottish Police were also qualified which Alex would check and update and noted the Annual Report also required to reflect this discussion.</p> <p>Alex to update the statements accordingly and submit to Diane for final approval.</p> <p>Management Team thanked Alex for work.</p> <p><b>Alex Devlin left the meeting.</b></p>	<p><b>ADevlin</b></p> <p><b>ADevlin</b></p>	<p><b>Jun 2016</b></p> <p><b>Jun 2016</b></p>
<b>Standing Items</b>			
<b>6.</b>	<b>Draft Agenda: Management Team meeting 7 June 2016</b>		
	Management Team considered the draft agenda and agreed the BSS item should be taken as a confidential item.	<b>JWebber</b>	<b>June 2016</b>
<b>7.</b>	<b>AOB</b>		
	No other business was considered.		
<b>8.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 7 June 2016.</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 24 MAY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: David Robertson and Martin Walker *item 2*  
 David Hanlon *item 4*  
 Elaine Boyd *item 6*

<b>1.</b>	<b>Minutes</b>		
	The draft minutes dated 17 May 2016, were discussed and, subject to amendment, agreed as an accurate record of the meeting.	<b>JWebber</b>	<b>May 2016</b>
<b>2.</b>	<b>Building a Better Organisation: Restructuring Information Services Team</b>		
	This item is the subject of a separate confidential minute.		
<b>3.</b>	<b>Making a Difference: New Approach to Auditing Best Value Update</b>		
	Fraser McKinlay introduced the New Approach to Auditing Best Value Update report, which had been previously circulated.  Fraser invited Management Team to note the report for the Board's consideration at its meeting on 2 June 2016 and welcomed any comments.  Management Team welcomed the report to the Board which provided an overview of the new approach to auditing best value in councils, drawing out some of the key highlights from the overall framework for Audit Scotland.  Following discussion, Management Team provided some minor comments in relation to the balance of reporting annual audits and overall outcomes.	<b>FMcKinlay</b>	<b>May 2016</b>
<b>4.</b>	<b>Securing World Class Audit: Fees and Funding</b>		
	Russell Frith introduced the report on Fees and Funding, a copy of which had been previously circulated.		

	<p>Russell invited Management Team to note the report intended to build on discussions from the previous meeting around financial strategy, comments received from Fiona Daley and James Gillies and welcomed comments on the proposed Board report and accompanying draft Consultation.</p> <p>During detailed discussion, Management Team recognised the achievement so far in reducing the cost of audit by 24% since 2010/11 and that we now needed to develop a new strategy. Management Team agreed with the proposal to consider target levels of 5%, 12½% and 15% with a view to work over the summer to model each and consider all associated impacts. Management Team recognised that a 12% real terms reduction in the cost of audit over five years would be a challenging target which would require further developments in one organisation budgeting, resourcing and working.</p> <p>Management Team discussed the proposal to review the strategy and fees at the mid term point of appointments, and also agreed an annual review should be built into the process.</p> <p>Russell thanked Management Team for their feedback which he would reflect in the report for the Board.</p> <p>Turning to the draft Consultation, Russell invited comments from colleagues.</p> <p>Management Team considered the draft consultation and agreed the purpose of the consultation was not to consult on the setting of actual audit fees but to inform how we calculate fees and to get input in how we communicate with audited bodies. Management Team discussed the extent to which it was possible to make a statement setting out that fees wouldn't go up, or what a reduction in year one might look like subject to our budgeting exercise in the autumn.</p> <p>Management Team provided additional detailed comments in relation to the content, tone and title of the consultation paper in advance of its submission for consideration by the Board.</p> <p>Russell welcomed Management Team input and would reflect comments in the report to the Board.</p>	<b>RFrith</b>	<b>May 2016</b>
<b>5.</b>	<b>Securing World Class Audit: Final Audit Appointments</b>		
	<p>Russell Frith introduced the Final Audit Appointments report, which had been previously circulated.</p> <p>Russel invited Management Team to note the final audit</p>		



<b>7.</b>	<b>Draft Agenda: Management Team meeting 2 June 2016</b>		
	<p>Management Team considered the draft agenda and agreed to include a discussion around Talent Management and Succession Planning as well as a discussion around our Financial Strategy at next weeks meeting.</p> <p>Management Team agreed the removal of the fees and funding item.</p>	<b>JWebber</b>	<b>May 2016</b>
<b>8.</b>	<b>Draft Agenda: Audit Committee meeting 2 June 2016</b>		
	Management Team noted the draft agenda.		
<b>9.</b>	<b>Draft Agenda: Remco meeting 2 June 2016</b>		
	Management Team noted the draft agenda.		
<b>10.</b>	<b>Draft Agenda: Board meeting 2 June 2016</b>		
	Management Team noted the draft agenda and the additional report from Russell on the final audit appointments.		
<b>11.</b>	<b>Draft Agenda: Accounts Commission meeting 9 June 2016</b>		
	Management Team noted the agenda. Russell indicated the report on NFI should be in the private section of the meeting and advised the Transparency and Quality report would be a late paper.	<b>JWebber</b>	<b>May 2016</b>
<b>11.</b>	<b>AOB</b>		
	No other business was considered.		
<b>12.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 31 May 2016.</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 17 MAY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Lorna McEwan (Minutes)

Apologies: None

In attendance: Martin Walker *items 2a, 3a, 3b, 4a, 4b and 5*  
 Brian Howarth *item 2a*  
 John Gilchrist *item 2a*  
 Mark Roberts *items 2a and 2b*  
 David Blattman *item 2c*  
 David Hanlon *item 8*

1.	<b>Minutes</b>		
	The draft minutes dated 10 May 2016, were discussed and, subject to minor amendment, agreed as an accurate record of the meeting.	<b>JWebber</b>	<b>May 2016</b>
2.	<b>Annual Reporting</b>		
	<p><b>Martin Walker, Brian Howarth, John Gilchrist and Mark Roberts joined the meeting.</b></p> <p><b>(a) Transparency and Quality</b></p> <p>John Gilchrist introduced the Transparency and Quality report, which had been previously circulated.</p> <p>Brian Howarth informed Management Team of the quality reviews undertaken by ICAS since November 2015 and welcomed comments from the group.</p> <p>Following discussion it was agreed that the report assumed a level of knowledge and that as it would be made available on our website, more plain language was needed, and 'Work on Words' would be engaged in this respect.</p> <p>Mark Roberts gave an update from a PABV perspective and welcomed comments from Management Team.</p> <p><b>Martin Walker, John Gilchrist and Brian Howarth left the meeting.</b></p>		



3.	<b>Q4 Reporting</b>		
	<p><b>(a) Corporate Performance</b></p> <p><b>Martin Walker joined the meeting.</b></p> <p>Martin introduced the Corporate Performance report, a copy of which had been previously circulated.</p> <p>Management Team welcomed sight of the report and a discussion followed on the annual summary and the relationship with the annual report.</p> <p>Martin agreed to submit timescales for the implementation of the new performance management system to a future meeting of Management Team.</p> <p><b>(b) Becoming World Class</b></p> <p>Martin introduced the Becoming World Class Improvement Programme report, a copy of which had been previously circulated.</p> <p>Martin highlighted the progress made since the last report, and this was welcomed by Management Team.</p> <p><b>Martin Walker left the meeting.</b></p>	<b>MWalker</b>	<b>TBC</b>
4.	<b>Becoming World Class: Project Plan for Building a Better Organisation and Best Value</b>		
	This item was the subject of a confidential minute.		
5.	<b>Internal Audit</b>		
	<p><b>(a) Report: Risk Management</b></p> <p>Martin Walker introduced the Internal Audit Risk Management report for 2016/17, a copy of which had been previously circulated.</p> <p>Following discussion Management Team noted that there were four low level recommendations contained in the report.</p> <p><b>(b) Update on Internal Recommendations</b></p> <p>Martin introduced the Update on Internal Recommendations report, which had been circulated previously.</p>		

	<p>Management Team noted that there are 16 recommendations on the progress report for recommendations from audit years 2015/16 and 2016/17 and that the progress report showed only the outstanding recommendations. Management Team noted that of the 16 recommendations in the report, four were past their implementation date.</p> <p>Management Team approved submission of the progress report to the Audit Committee.</p>		
<b>6.</b>	<b>Data Incident / Loss</b>		
	<p>Martin Walker introduced the Data Incident/Loss report, a copy of which had been previously circulated.</p> <p>Martin informed Management Team that following their consideration of the last report in April 2016, there had been two incidents. Both incidents were as a result of human error.</p> <p>Management Team welcomed this update.</p> <p><b>Martin Walker left the meeting.</b></p>		
<b>7.</b>	<b>Securing World Class Audit: Fees and Funding Strategy Update</b>		
	<p>Russell Frith introduced the Funding and Fees report which built on last week's discussion about budget strategy to provide further information and examples of the impact of efficiency/savings targets.</p> <p>Detailed discussion followed on the data included in the exhibits/tables and Russell answered questions as they arose.</p> <p>It was agreed that more discussion on Best Value would take place in the autumn with a full discussion prior to the SCPA budget and prior to submission to the Board.</p> <p>Management Team welcomed sight of the draft Consultation on Audit Scotland Audit Fees report and agreed to email Russell with any comments.</p> <p>Management Team also welcomed sight of the Review of Funding and Fees board paper. Following discussion Russell agreed to revise the report based on comments received and this paper would be considered at the next meeting of Management Team.</p>	<p><b>All</b></p> <p><b>All</b></p> <p><b>RFrith</b></p>	<p><b>Sept 2016</b></p> <p><b>May 2016</b></p> <p><b>May 2016</b></p>

8.	<b>Building a Better Organisation: Property Review – Glasgow and Inverness</b>		
	<p><b>David Hanlon joined the meeting</b></p> <p>David introduced the Inverness Office Relocation report, a copy of which had been circulated.</p> <p>David reminded Management Team that the lease on our current office at Ballantyne House, Inverness would end on 10 March 2017 and that in advance of a property search, staff in Inverness had been canvassed on their requirements for a new office.</p> <p>A discussion followed on the safety of colleagues in the current Inverness office.</p> <p>David highlighted the facilities at the preferred location and a discussion followed on the rates which are based on a ten year lease and an option for a break at five years.</p> <p>A discussion on the quality control function of the short term ground floor lets followed and David would liaise with the landlord in this respect.</p> <p>Management Team approved the proposal to negotiate a lease and also approved further negotiations in respect of the length of lease.</p> <p>David highlighted the key points from the haa design Glasgow Property Review presentation.</p> <p>Several options were considered by Management Team and it was agreed that it was not financially viable to undertake all the work suggested by haa design.</p> <p>Management Team agreed that as a starting point a shower room would be fitted in the disabled toilet, standing desks would be purchased and the angle of the current desks would be altered.</p> <p>David agreed to liaise with haa design to amend the drawings and would update Management Team in due course.</p> <p><b>David Hanlon left the meeting.</b></p>	<b>DHanlon</b>	<b>May 2016</b>
9.	<b>Making a Difference: Publication Schedule and Forward Programme</b>		
	Fraser McKinlay introduced the Publication Schedule and Forward programme report, which had been previously circulated.		

	Following discussion, Management Team welcomed the update.		
<b>Standing Items</b>			
<b>10.</b>	<b>Draft Agenda: Management Team 24 May 2016</b>		
	Due to time constraints, the above item was not considered.		
<b>11.</b>	<b>AOB</b>		
	No other business was considered.		
<b>12.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 24 May 2016.</b>  Apologies – Caroline Gardner  <b><i>Please give your apologies to Joy Webber (x1606)</i></b>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 10 MAY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *items 2 and 3*  
 David Hanlon *item 4*  
 Antony Clark *item 5*  
 Gillian Woolman *item 6*

<b>1.</b>	<b>Minutes</b>		
	(a) The draft minutes dated 26 April 2016, were discussed and agreed as an accurate record of the meeting.	<b>JWebber</b>	<b>May 2016</b>
	(b) The draft confidential minute dated 26 April 2016, was discussed and agreed as an accurate record of the discussion. Diane McGiffen would ask Martin to provide a verbal update to the Assistant Directors in early course.	<b>DMcGiffen/ MWalker</b>	<b>May 2016</b>
	(c) The draft minute of 3 May 2016, was discussed and, subject to minor amendment, agreed as an accurate record of the meeting.		
<b>2.</b>	<b>Communications Digest</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced the Communications Digest report, which had been previously circulated.</p> <p>Martin reflected there had been less activity to report during the moratorium.</p> <p>Management Team discussed the key highlights and the FOI request received in relation to the Holyrood project and the CPP Conference.</p> <p>Diane McGiffen advised of the forthcoming departures of personnel at the National Audit Office.</p>		

3.	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Martin Walker introduced the Hotlist of Emerging Audit Risks, which had been previously circulated.</p> <p>Martin invited Management Team to consider and approve the changes to the hotlist and note the audit work underway on each item.</p> <p>Management Team discussed the four new risks and noted the updates to the existing five risks.</p> <p>Fraser McKinlay advised Management Team of his report to the Accounts Commission in relation to the Closure of Edinburgh PPP Schools and provided an update on NHS24.</p> <p>Following discussion, Management Team welcomed the update.</p> <p><b>Martin Walker left the meeting.</b></p>		
4.	<b>Securing World Class Audit: Funding and Fees</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>Russell Frith introduced the report on Funding and Fees, a copy of which had been previously circulated.</p> <p>Russell invited Management Team to note this report built on discussions with the Board at its meeting on 3 May 2016 to facilitate a further discussion with Management Team around the future financial strategy and its implications for fees and funding.</p> <p>Russell summarised the savings achieved through the recent audit procurement, which were greater than anticipated, and invited Management Team to discuss and agree the basis for preparing a fee model based on a % reduction to be effective from 1 November 2016.</p> <p>During detailed discussion, Management Team considered the level of savings which might be achieved across Audit Scotland and subsequent impact on fees to audited bodies.</p> <p>Management Team discussed how the added value gained from the work of ASG and Performance Audit and Best Value should be captured along with the need for more transparency around the breakdown of fees.</p> <p>Following discussion, Management Team agreed Russell and David would return to next week's meeting with financial modelling for a 10% target over the five year appointment cycle. Similarly, Russell would continue to</p>	<p><b>RFrith/ DHanlon</b></p>	<p><b>May 2016</b></p>

	<p>develop the narrative in the draft consultation for Management Team to consider. David and Russell also agreed to liaise with the respective budget holders in relation to the proposed target.</p> <p>Management Team welcomed the update.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>5.</b>	<b>Making a Difference: Strategic Scrutiny Group Update</b>		
	<p><b>Antony Clark joined the meeting.</b></p> <p>Antony Clark introduced the report on Strategic Scrutiny Group Update, which had been previously circulated.</p> <p>Antony invited Management Team to note the update provided focussed on the Shared Risk Assessment process (SRA), the key messages from the SSG short life working group on 'the role of external scrutiny in the 21st century' and the potential impact of the new 2016/17 to 2020/21 audit appointments on Local Area Network Leads allocations.</p> <p>During discussion, Management Team considered the lessons learnt from the SRA 2016/17 process which, while recognising it had worked reasonably well, noted the opportunity for a fundamental review in 2017/18.</p> <p>Turning to the role of external scrutiny, Management Team recognised the appetite for continued engagement by the scrutiny bodies. However in considering resource Management Team agreed the group should take soundings from the firms and scrutiny partners around the possibility of rotating LAN leads. In response to the question of Audit Scotland's continued engagement in the development of place based scrutiny, Management Team agreed it was beneficial to continue while recognising our independent role.</p> <p>Following discussions, Management Team thanked Antony for the update.</p> <p><b>Antony Clark left the meeting.</b></p>		
<b>6.</b>	<b>Making a Difference: Equalities Update 2015/16</b>		
	<p><b>Gillian Woolman joined the meeting.</b></p> <p>Gillian Woolman introduced the Equalities Update 2015/16 report, which had been previously circulated.</p>		

	<p>Gillian invited Management Team to consider and approve the annual report prior to its submission to the Board at its meeting on 2 June 2016.</p> <p>Management Team welcomed the update following the review report considered by them in March 2016. During discussion, Management Team considered some of the key findings in relation to the upward trend in flexible working arrangements at Audit Scotland, the number of females who had left over in the year compared to the number of men who had left in the preceding year and the reported Equality developments as part of our Performance Audit and Best Value work.</p> <p>Management Team welcomed the good work by the group and subject to some suggested amendments approved the report to go to the Board for its consideration.</p> <p><b>Gillian Woolman left the meeting.</b></p>	<b>GWoolman</b>	<b>May 2016</b>
<b>Standing Items</b>			
<b>7.</b>	<b>Draft Agenda: Management Team 17 May 2016</b>		
	Management Team noted the draft agenda and would welcome the quality leads from each team to join the discussion at item 2.		
<b>8.</b>	<b>AOB</b>		
	Diane McGiffen provided a verbal update on the recent fire evacuation and actions arising.		
<b>9.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 17 May 2016.</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 3 MAY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*

1.	<b>Minutes</b>		
	Management Team noted the draft minutes from the meeting on 26 April 2016, would be taken to the meeting on 10 May 2016 for approval.	<b>JWebber</b>	<b>April 2016</b>
2.	<b>Draft Financial Results – 12 Months to March 2016</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the report containing the draft Financial Results for the year to 31 March 2016, a copy of which had been previously circulated.</p> <p>David invited Management Team to note the overall underspend of £800k was consistent with forecast as previously advised. The key drivers for the underspend related to lower than anticipated pensions charges received from the actuaries and the adjustment of in-house fees.</p> <p>Management Team discussed the oversight in relation to checking the pension fee provision in some council plans, the proposed reduction of work in progress levels by Audit Services Group and the continued tracking of late invoices received for 2015/16.</p> <p>Management Team considered the reported establishment levels, staff costs and associated learning and development budget. In relation to consultancy, Management Team wished to have a discussion early in the new budget year on proposed spend.</p> <p>Turning to fees, Caroline Gardner highlighted the level of income continued to be higher than budget and agreed more analysis required to be undertaken in order to identify key work elements to inform the future fee model and strategy.</p>		

	<p>Management Team welcomed the downward trend reported on travel and subsistence which indicated an increased uptake in flexible working by colleagues.</p> <p>Similarly, Management Team recognised that savings were anticipated to continue following the relocation to West Port.</p> <p>David advised he would share the accounts with our external auditor, Alexander Sloan, next Monday 9 May and prepare the statutory form accounts which he would share with Russell Frith. David confirmed he, Martin Walker and others were working on the commentary supporting the accounts which would be shared with Audit Committee members in due course.</p> <p>Following discussion, Management Team thanked David and the team for their work in preparing the final accounts.</p>	<b>DHanlon</b>	<b>9 May 2016</b>
<b>Standing Items</b>			
<b>3.</b>	<b>Draft Agenda: Management Team 10 May 2016</b>		
	Management Team noted the draft agenda.		
<b>4.</b>	<b>AOB</b>		
	There was no further business.		
<b>5.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 10 May 2016.</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 26 APRIL 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Lorna McEwan (Minutes)

Apologies: None

In attendance: David Blattman *items 2 and 3*  
 Rachel Parker *item 2*  
 Lynn Scott *item 3*  
 David Hanlon *items 3*  
 Martin Walker *items 3,4b*  
 John Gilchrist *items 4c*  
 Paul Reilly *items 6a, 6b and 6c*

<b>1.</b>	<b>Minutes</b>		
	The draft minutes dated 12 April 2016, were discussed and agreed as an accurate record of the meeting.	<b>JWebber</b>	<b>April 2016</b>
<b>2.</b>	<b>VERA Reconciliation Report</b>		
	<p><b>David Blattman and Rachel Parker joined the meeting.</b></p> <p>David Blattman introduced the report VERA Reconciliation Report, which had been previously circulated.</p> <p>Management Team welcomed the report and noted that for the most recent deployment of the 2015/16 VERA scheme, in respect of the 11 VERA offers made, all had been accepted.</p> <p>Management Team noted the contents of the report and approved its submission to Audit Scotland's Remuneration and Human Resources Committee on 2 June 2016.</p> <p><b>Rachel Parker left the meeting.</b></p>		
<b>3.</b>	<b>BSS Update</b>		
	<p><b>David Hanlon, Martin Walker and Lynn Scott joined the meeting</b></p> <p>A separate confidential minute would be distributed.</p> <p><b>Lynn Scott and David Hanlon left the meeting.</b></p>		

4.	<b>Securing World Class Audit</b>		
	<p><b>a) 2016/17 Audit Fees, Draft Board Paper and Consultation</b></p> <p>Russell Frith introduced the draft Board paper on Funding and Fees, a copy of which had been previously circulated.</p> <p>Management Team welcomed the paper which was intended to build on the papers discussed at previous Board meetings to consider the likely results of our review of funding and fees for 2016/17 audits, and a draft stakeholder consultation paper.</p> <p>Following discussion, Russell welcomed comments from Management Team and agreed to make revisions to the paper prior to presentation to the Board.</p> <p><b>b) Time Recording Options</b></p> <p>Martin Walker introduced the Time Recording Options paper, a copy of which had been previously circulated.</p> <p>Martin summarised the views of the short life working group formed to consider the issues, objectives and potential solutions for the arrangements for time recording and costings.</p> <p>Management Team agreed that the proposed MKI only option should be progressed, and would focus on an assessment of the MKI web interface and the MKI expenses module, which is fundamental as the existing Webtime software deals with expenses.</p> <p><b>c) Audit Service Quality Review 2014/15 Central Government Audits</b></p> <p><b>John Gilchrist joined the meeting.</b></p> <p>John Gilchrist introduced the Audit Service Quality Survey – 2014/15 Central Government Audits paper, a copy of which had been previously circulated.</p> <p>Management Team welcomed the report and noted that 100% of respondents agreed that the auditor delivered a high quality service. This was an increase of 6% on the previous survey.</p> <p>Management Team noted the continuing high level</p>	RF	26 April

	<p>of satisfaction with the quality of audits provided by auditors and the survey results for the recent performance audits.</p> <p><b>John Gilchrist left the meeting.</b></p>		
<b>5.</b>	<b>Governance Statement and Certificate of Assurance 2015/16</b>		
	<p>Martin Walker introduced the report on Governance Statement and Certificate of Assurance 2015/16, a copy of which had been previously circulated.</p> <p>Management Team noted the certificates of assurance and approved their submission to the Audit Committee or the Audit Scotland Board at their meetings on 2 June 2016 with the Annual Accounts and governance statements.</p> <p><b>Martin Walker left the meeting.</b></p>		
<b>6.</b>	<b>Accounts Commission Business</b>		
	<p><b>Paul Reilly joined the meeting.</b></p> <p><b>(a) Meeting of 12 May 2016: Draft Agenda</b></p> <p>Paul Reilly introduced the Accounts Commission draft agenda, a copy of which had been previously circulated.</p> <p>Subject to minor amendment, Management Team approved the draft agenda.</p> <p><b>(b) Strategy: Proposed Revisions</b></p> <p>Paul Reilly introduced the paper on proposed revisions to the Commission's Strategy as a result of the recent annual Strategy Seminar and Commission members' subsequent initial consideration of outputs therefrom, a copy of which had been previously circulated.</p> <p>Management Team welcomed the paper and acknowledged that the language and tone of the paper would be simplified.</p> <p><b>(c) Engagement Plan: Proposed Revisions</b></p> <p>Paul Reilly introduced the paper proposing revisions to the Commission's Engagement Plan as a result of the recent annual Strategy Seminar and Commission members' subsequent initial consideration of outputs therefrom, which had been</p>		

	<p>previously circulated.</p> <p>Paul invited Management Team to discuss and comment on the Engagement Plan.</p> <p>Management Team welcomed the Engagement Plan and following discussion agreed it would benefit from being shorter and more streamlined.</p>		
<b>Standing Items</b>			
<b>7.</b>	<b>Draft Agenda: Management Team 3 May 2016</b>		
	Management Team noted the draft agenda.		
<b>8.</b>	<b>Key messages to colleagues</b>		
	<ul style="list-style-type: none"> <li>- 2016/17 Audit Fees</li> <li>- Time Recording Options</li> <li>- Accounts Commission Strategy</li> <li>- Accounts Commission Engagement Plan</li> </ul>		
<b>9.</b>	<b>AOB</b>		
	There was no further business discussed.		
<b>10.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 3 May 2016.</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 12 APRIL 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen (Chair)  
 Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: Martin Walker *items 2, 3, 4, 5, 6 and 7*  
 Alex Devlin *items 6 and 7*  
 Dorothy Lavery *items 8 and 9*

1.	<b>Minutes</b>		
	The draft minutes dated 5 April 2016, were discussed and agreed as an accurate record of the meeting, subject to minor amendment.	<b>JWebber</b>	<b>April 2016</b>
2.	<b>Draft Corporate Plan Update 2016/17</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced the report Draft Corporate Plan Update 2016/17, which had been previously circulated.</p> <p>Martin invited Management Team to consider the second draft of the Corporate Plan which included contributions from the Leadership Group, primarily with respect to the new financial powers, fiscal framework and welfare together with improved commentary on 2015/16 progress and priorities for the remainder of the period covering the plan.</p> <p>Martin invited any comments on the update in advance of submitting it to the Board to seek their approval of the plan.</p> <p>Management Team welcomed the update and during detailed discussion agreed a number of amendments to include reference to work of the Accounts Commission in the introductory section, the addition of other developments we are working on such as integrated Health and Social Care, corporate performance and how that informs the budget strategy, the work underway for the new audit appointments, the focus on improved quality, accountability and transparency and best value.</p> <p>Management Team discussed the key milestones over the</p>		

	<p>next six months and agreed it would be useful to have this captured in the plan.</p> <p>Following discussion, Fiona Kordiak agreed to provide wording to reflect the breadth of the BaBO workstream and Russell Frith advised he would provide additional text to capture Audit Scotland's role in managing audit fee levels and our overall fee strategy. Diane McGiffen invited any other points of detail be shared with Martin prior to the plan being submitted to the Board on 3 May 2016.</p>	<p><b>FKordiak/ RFrith</b></p> <p><b>ALL</b></p>	
<b>3.</b>	<b>Risk Reports</b>		
	<p><b>(a) Risk Management Framework</b></p> <p>Martin Walker introduced the Risk Management Framework report, which had been previously circulated.</p> <p>Martin invited Management Team to note the update to the Risk Management Framework included the addition of a target risk mitigation date to sit alongside the further actions identified in the risk register, amendments to the arrangements in place within business groups and minor changes to the appendices to reflect the current operating context.</p> <p>Management Team noted the proposed changes and agreed with the inclusion of a target risk mitigation date.</p> <p>Following discussion, Management Team welcomed the update and approved the submission of the report to the Board meeting on 3 May 2016.</p> <p><b>(b) Review of Risk Register</b></p> <p>Martin Walker introduced the Review of Risk Register report, which had been previously circulated.</p> <p>Martin invited Management Team to note there have been a number of changes, and highlighted the downgrading of risk 12 to reflect the improved connectivity to core systems for ASG, the addition of two new risks 13 and 14 relating to the work on New Fiscal Framework and our ability to deliver and the upgrading of risk 6 to amber which reflected the increased net risk for quality.</p> <p>During detailed discussion, Management Team agreed with the raising of the risk in relation to quality and the need to capture more detail around</p>	<p><b>MWalker</b></p>	<p><b>Apr 2016</b></p>

	<p>the mitigating actions which included the review of audit plans, regular engagement with partners and the revised Code of Audit Practice.</p> <p>Following discussion, Management Team agreed the new risk 14 relating to capacity to deliver new audit commitments under the new financial powers and fiscal framework should be reflected in the existing risk 11 relating to capacity.</p> <p>Management Team welcomed the report and agreed with the proposal to carry out a strategic risk review in the summer.</p> <p><b>(c) Risk Interrogation</b></p> <p>Martin Walker introduced the report on Risk Interrogation, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to consider the interrogation on reputation and welcomed any comments prior to its submission to the Audit Committee meeting on 3 May 2016.</p> <p>Management Team welcomed the report and during detailed discussion agreed there were a number of points to be expanded on around Audit Scotland's independence, the SCPA's position and responsibility in appointing the Board, our people and the recruitment and retention of same and the mixed market approach which links to the firms and quality and standards.</p> <p>Following discussion, Management Team agreed there should be a lessons learned section to reflect the range of engagement and active debate with interested parties.</p>	<p><b>MWalker</b></p> <p><b>MWalker</b></p>	<p><b>Jun 2016</b></p> <p><b>Apr 2016</b></p>
<p><b>4.</b></p>	<p><b>Knowledge Management, Data Analytics and Audit Intelligence</b></p>		
	<p>Martin Walker introduced the report on Knowledge Management, Data Analytics and Audit Intelligence, which had been previously circulated.</p> <p>Martin invited Management Team to consider the current position on knowledge management, audit intelligence and data analytics and agree future priorities.</p> <p>During detailed discussion, Management Team acknowledge the benefits gained in terms of learning from</p>		

	<p>phase 1 would usefully inform the future work for phase 2 on money and outcomes linking the connection with the economy.</p> <p>Management Team noted the specific groups were gathering what we already have in order to identify any gaps there might be in our knowledge and skills and how this will inform future developments.</p> <p>Management Team agreed the people and skills mix should form part of the conversation on digital development in phase 2, and Fraser McKinlay would ask Gemma Diamond to link in with Martin.</p> <p>Russell Frith advised of offers from some of the firms to share with us data analytical work or possible access to sources for MT/Leadership Group/ASG and he would revert.</p> <p>Diane McGiffen suggested an update in this area would be welcomed by the Board in due course.</p>	<p><b>FMcKinlay</b></p> <p><b>RFrith</b></p> <p><b>MWalker</b></p>	<p><b>Apr 2016</b></p> <p><b>TBC 2016</b></p> <p><b>TBC 2016</b></p>
<b>5.</b>	<b>Information Security Management Policy</b>		
	<p>Martin Walker introduced the report on Information Security Management Policy, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to note the policy and agree its submission to the Board for approval.</p> <p>Management Team welcomed the work undertaken by the team in preparation for the ISO 27001:2013 certification audit scheduled for 9 and 10 May 2016</p> <p>Management Team agreed the responsibility of escalating issues to the Board required to be clarified, prior to the report going to the Board.</p>	<p><b>MWalker</b></p>	<p><b>Apr 2016</b></p>
<b>6.</b>	<b>2015/16 Annual Assurance Reports</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p><b>(a) Whistleblowing</b></p> <p>Alex Devlin introduced the report on Whistleblowing, which had been previously circulated.</p> <p>Alex invited Management Team to consider and approve the annual assurance report to the Audit Committee meeting on 3 May 2016.</p>		

	<p>Management Team noted the assurance provided and its submission to the Audit Committee.</p> <p><b>(b) Bribery and Fraud</b></p> <p>Alex Devlin introduced the report on Bribery and Fraud, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the assurance reported and agree its submission to the next meeting of the Audit Committee.</p>	<p><b>ADevlin</b></p>	<p><b>Apr 2016</b></p>
	<p>Management Team noted the assurance provided and subject to minor amendment to reference the IS policy and internal checklists approved its submission to the Audit Committee.</p> <p><b>(c) Information Governance and Security</b></p> <p>Alex Devlin introduced the report on Information Governance and Security, which had been previously circulated.</p>	<p><b>ADevlin</b></p>	<p><b>Apr 2016</b></p>
	<p>Management Team noted the assurance reported and agreed its submission to the Audit Committee</p> <p><b>(d) Hospitality and Gifts</b></p> <p>Alex Devlin introduced the report on Hospitality and Gifts, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the assurance reported and approve the report for submission to the Audit Committee.</p> <p>Management Team noted the assurance provided and subject to the inclusion of the additional guidance provided in relation to the recent audit procurement round. Russell Frith would provide some wording for inclusion in the report prior to its submission to the Audit Committee.</p>	<p><b>ADevlin</b></p>	<p><b>Apr 2016</b></p>
	<p><b>(e) Data Incident/Loss</b></p> <p>Alex Devlin introduced the report on Data Incident/Loss, which had been previously circulated.</p> <p>Alex invited Management Team to note the three incidents reported and assurance provided by the steps taken to minimise future incidents.</p>	<p><b>RFrith</b></p>	<p><b>Apr 2016</b></p>



	welcomed the assurance provided <b>Martin Walker and Alex Devlin left the meeting.</b>		
<b>8.</b>	<b>Q4 Correspondence Performance Report</b>		
	<p><b>Dorothy Lavery joined the meeting.</b></p> <p>Dorothy Lavery introduced the Q4 Correspondence Performance report, a copy of which had been previously circulated.</p> <p>Dorothy invited Management Team to note the progress reported and welcomed any comments.</p> <p>Management Team welcomed the report and thanked the team for the continued improvements reported throughout the year.</p>		
<b>9.</b>	<b>2015/16 Annual Report on Correspondence</b>		
	<p>Dorothy Lavery introduced the 2015/16 Annual Report on Correspondence, which had been previously circulated.</p> <p>Dorothy invited Management Team to approve the report for submission to the Audit Committee for its meeting on 2 June 2016.</p> <p>Fraser invited Management Team to note the overall improved performance while identifying there was scope for more engagement between Correspondence and the respective audit teams.</p> <p>During discussion, Management Team agreed the report should capture more of the future plans to develop reporting, the 'Work on Words' training being undertaken and encouraged more engagement via our website and twitter.</p> <p><b>Dorothy Lavery left the meeting.</b></p>		
<b>Standing Items</b>			
<b>10.</b>	<b>Draft Agenda: Accounts Commission Committees 28 April 2016</b>		
	Management Team noted the draft agenda.		
<b>11.</b>	<b>Draft Agenda: Management Team 26 April 2016</b>		
	Management Team noted the draft agenda.		

<b>12.</b>	<b>Key messages to colleagues</b>		
	<ul style="list-style-type: none"> <li>- Risk Management Framework</li> <li>- Knowledge Management Data Analytics and Audit Intelligence</li> <li>- Annual Assurance Reporting</li> <li>- Correspondence reporting</li> </ul>		
<b>13.</b>	<b>AOB</b>		
	<ul style="list-style-type: none"> <li>- <b>BaBO</b></li> </ul> <p>Diane McGiffen and Fiona Kordiak invited Management Team to note progress and discussions following the recent knowledge cafes.</p> <p>Management Team discussed progress and agreed there was a need to restate the consultative nature of BaBO particularly around profiles and zones.</p> <p>Fiona advised HR was in the process of procuring reward specialists for the next stage of the process and agreed to send a communication to staff by way of an update on the next steps and the guiding principles for the transition.</p>	<b>FKordiak</b>	<b>Apr 2016</b>
<b>14.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 26 April 2016.</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 5 APRIL 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Caroline Gardner  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Lorna McEwan (Minutes)

Apologies: Diane McGiffen

In attendance: Martin Walker and James Gillies *items 2 and 3*  
 Dave McConnell *item 4*  
 Claire Sweeney *item 5*

In the absence of Diane McGiffen, Russell Frith agreed to chair the meeting.

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 15 March 2016, were discussed and agreed as an accurate record of the meeting.</p> <p><b>BSS Contract Extensions</b>          Management Team approved the proposal to partly fund the proposed extension to fixed term contracts from the Management Contingency budget.</p>	<b>LMcEwan</b>	<b>April 2016</b>
<b>2.</b>	<b>Communications Digest</b>		
	<p><b>James Gillies and Martin Walker joined the meeting.</b></p> <p>Management Team welcomed the report and acknowledged the highlights and key issues over the past month, together with a synopsis of forthcoming publications which would in future include the dates of key Annual Audit Reports.</p> <p>A discussion took place regarding the promotion of reports and it was agreed that consideration would be given to exhibiting reports at appropriate events.</p>		
<b>3.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Martin Walker introduced the Hotlist of Emerging Audit Risks report, which had been previously circulated.</p> <p>Martin invited Management Team to note the two updates and two new risks which had been added to the hotlist.</p> <p>Following detailed discussion, Management Team welcomed the update and agreed with the proposal to</p>		

	<p>shorten the report by removing the 'Previously Closed' section. Going forward, links to the Public Sector Risk Log would be included in the 'Watch List' section.</p> <p>In relation to the Scottish Police Authority and i6, Fraser and Fiona agreed to have a separate discussion regarding the potential of offering a workshop (possibly co-hosted by NAO) as well as fulfilling accountability responsibilities by reporting.</p> <p>In relation to T in the Park, Fraser proposed that a lessons learned exercise be undertaken to capture different approaches going forward.</p> <p><b>James Gillies and Martin Walker left the meeting</b></p>	<p><b>FMcKinlay/ FKordiak</b></p> <p><b>FMcKinlay</b></p>	<p><b>April 2016</b></p> <p><b>April 2016</b></p>
<b>4.</b>	<b>Approach to Working with Other Countries</b>		
	<p><b>Dave McConnell joined the meeting.</b></p> <p>Dave McConnell introduced the report on the Approach to Working with Other Countries, which had been previously circulated.</p> <p>Dave invited Management Team to consider the key issues, possible options for future international activity and decide the most appropriate actions.</p> <p>During discussion, Dave reported that since the report was written, there had been an increase in international work activity with visits arranged from Malawie, Tunisia and Serbia.</p> <p>Following consideration of the three options detailed in the report, Management Team agreed that the role of International Liaison Manager (ILM) would remain at 50% with enhanced responsibilities regarding developing fresh relationships; a replacement for Laurence Slavin would be sought as he was nearing the end of his ILM tenure; and the Annual Report on International Work would now be merged with the Making a Difference report.</p> <p><b>Dave McConnell left the meeting.</b></p>	<p><b>DMcConnell</b></p>	<p><b>June 2016</b></p>
<b>5.</b>	<b>Impact Report Update</b>		
	<p><b>Claire Sweeney joined the meeting.</b></p> <p>Claire Sweeney introduced the six monthly update report and presentation on Maximising our Impact, which had been previously circulated.</p>		

	<p>Management Team welcomed the update, acknowledging the work of the audit teams in PABV who produce an impact report around 18 months after publication of a performance audit.</p> <p>Management Team noted that as part of the Making a Difference workstream and the work of the corporate impact group, work will continue to be developed over the next year with the focus on embedding impact through the clusters, as part of our approach to programme development.</p>		
<b>Standing Items</b>			
<b>6.</b>	<b>Draft Agenda: Management Team 12 April 2016</b>		
	Management Team noted the draft agenda.		
<b>7.</b>	<b>Key messages to colleagues</b>		
	- Impact report update		
<b>8.</b>	<b>AOB</b>		
	Management Team noted and congratulated Claire Sweeney on her 9 month secondment with Healthcare Improvement Scotland (HIS) as Interim Director of Quality Assurance. It was anticipated that this would commence at the end of April.		
<b>9.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 12 April 2016.</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 15 MARCH 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen  
Caroline Gardner  
Fraser McKinlay (in part)  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: Russell Frith

In attendance: David Blattman and Rachel Parker *item 2*  
David Hanlon *items 2 and 3*  
James Gillies and Bruce Stoddart *item 4*  
Martin Walker *items 1, 2, 3, 4 and 5*  
Gillian Woolman *item 6*

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 8 March 2016, were discussed and agreed as an accurate record of the meeting.</p> <p><b>Matters Arising</b> Diane McGiffen provided a summary of discussions at the previous meeting on the Board Openness and Transparency report and welcomed any comment from Caroline Gardner. Caroline confirmed her agreement with the conclusions reached which would help to inform discussions at the Board meeting on 24 March 2016.</p>		
<b>2.</b>	<b>2015/16 VERA Overview</b>		
	<p><b>David Blattman, Rachel Parker, Martin Walker and David Hanlon joined the meeting.</b></p> <p>This item contained confidential information and discussions recorded as a separate confidential minute.</p> <p><b>Fraser McKinlay, David Blattman and Rachel Parker left the meeting.</b></p>	<b>RParker</b>	<b>Apr 2016</b>
<b>3.</b>	<b>Operational Budget 2016/17</b>		
	<p>David Hanlon introduced the Operational Budget 2016/17 report, which had been previously circulated.</p> <p>David invited Management Team to review the proposed establishment changes for 2016/17 and agree what was to be recommended for Board approval, review the changes proposed to the workforce projections for the years 2017/18, 2019/20 and the proposal for 2020/21 to be used</p>		

	<p>as a basis to prepare salary cost projections, and review the operational budget for 2016/17 and agree what would be presented to the Board for its consideration and approval.</p> <p>Management Team noted the work undertaken to review the workforce establishments included in our 2016/17 SCPA budget submission, the impact of which are were presented in the report.</p> <p>Management Team considered the 2016/17 staff costs, workforce projections 2017/18 to 2020/21, the main assumptions used in preparing the 2016/17 operational budget, other revenue expenditure budgets and capital.</p> <p>Following discussion, Management Team agreed the HR &amp; OD Manager would reflect the changes to establishment numbers as proposed in the 2016/17 workforce plan, agreed the proposed workforce projections 2017/18 to 2020/2021 should be used to prepare salary cost projections for the next review of our four year plan scheduled for the summer of 2016, and agreed the proposed operational budget for 2016/17 for consideration and approval by the Board.</p> <p><b>David Hanlon left the meeting.</b></p>	<p><b>DBlattman</b></p> <p><b>DHanlon</b></p>	<p><b>Jun 2016</b></p> <p><b>Mar 2016</b></p>
<p><b>4.</b></p>	<p><b>Audit Scotland Annual Report and Accounts</b></p>		
	<p><b>James Gillies and Bruce Stoddart joined the meeting.</b></p> <p>James Gillies introduced the report on Audit Scotland Annual Report and Accounts, a copy of which had been previously circulated.</p> <p>James invited invited Management Team to note the aspiration to produce a world class annual report and accounts, adopting a balanced approached between compliance with FReM requirements, using plain language and providing clarity.</p> <p>Bruce Stoddart invited Management Team to consider the demonstration and welcomed any comments on the proposed structure and content of the report.</p> <p>Following the demonstration, Management Team welcomed the single report was structured to cover the three main areas of performance, accountability and financial statements, noted the use of cross referencing to other annual reports and the new suite of graphics which had been developed.</p> <p>James confirmed the Board would be invited to comment on the draft at its next meeting.</p>	<p><b>JGillies/ BStoddart</b></p>	<p><b>Mar 2016</b></p>

	<b>James Gillies and Bruce Stoddart left the meeting.</b>		
<b>5.</b>	<b>Draft Corporate Plan Update 2016/17</b>		
	<p>Martin Walker introduced the Draft Corporate Plan Update 2016/17 report, which had been previously circulated.</p> <p>Martin invited Management Team to consider and comment on the first draft of the Corporate Plan which took account of the Board's agreement to the proposals to refresh the plan to signal continuity and consolidation and refocus where required.</p> <p>Management Team discussed the draft plan, noting the amendments proposed which reflected the changes to our operating environment including the new financial powers and fiscal framework now captured within the securing world class audit section, our priorities and becoming world class section had been updated to reflect the work completed in 2015/16 and some revised priorities.</p> <p>Following discussion, Management Team welcomed the update, provided some drafting comments and noted the timeline for a revised draft to come back in April 2016. Thereafter Board approval would be sought at its meeting in May with the proposal to publish the plan at the end of May, taking account of the Accounts Commission Strategy which was to be published on 26 May 2016.</p> <p><b>Martin Walker left the meeting.</b></p>		
<b>6.</b>	<b>Review of Diversity &amp; Equality in Audit Scotland</b>		
	<p><b>Gillian Woolman joined the meeting.</b></p> <p>Gillian Woolman introduced the Review of Diversity &amp; Equality Matters in Audit Scotland Spring 2016 report, which had been previously circulated.</p> <p>Gillian invited Management Team to review the achievements in 2015/16, approval to refresh our approach to recognising diversity and equality in our work and support to achieve this.</p> <p>Management Team welcomed the update, acknowledging the work of the Steering Group to deliver on a range of outcomes designed to meet people's needs and support a culture of diversity, including revised policies and procedures in the staff handbook, involvement and guidance in relation to accessible facilities and evacuation plans for members in the new office, redesigned guidance and form for assessments, considering equality in our procurement and tendering processes and assurance reporting.</p>	<b>GWoolman</b>	<b>May 2016</b>

	Turning to the proposed action plan Management Team invited the Steering Group to consider and develop a strategic plan to enable Audit Scotland to mainstream diversity and equality in our work.		
<b>7.</b>	<b>Key messages to colleagues</b>		
	- Operational budget		
<b>8.</b>	<b>AOB</b>		
	In the absence of a meeting of Management Team on 22 March 2016, the draft agenda for the meeting of the Accounts Commission was noted.		
<b>9.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 5 April 2016.</b>  <i>Please give your apologies to Joy Webber (x1606)</i>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 8 MARCH 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: Martin Walker *items 3 and 4*

<b>1.</b>	<b>Minutes</b>		
	The draft minutes dated 1 March 2016, were discussed and agreed as an accurate record of the meeting subject to minor amendment at item 9.	<b>JWebber</b>	<b>Mar 2016</b>
	The draft confidential minutes dated 1 March, were discussed. Following discussion, Diane McGiffen agreed to provide additional wording.	<b>DMcGiffen</b>	<b>Mar 2016</b>
<b>2.</b>	<b>Audit Procurement Allocation of Audits to Firms</b>		
	Russell Frith introduced the report on Audit Procurement Allocation of Audits to Firms, a copy of which had been previously circulated.		
	Russell invited Management Team to note the report which would be considered by the Accounts Commission at its meeting on 10 March 2016. The report provided details of the proposed allocation of audits to firms and Audit Services Group and, together with a supplementary paper, included the audits within the remit of the Auditor General for Scotland. Russell advised Management Team of one potential conflict which may change the allocation.		
	Management Team welcomed the opportunity to discuss the proposed allocation and noted that subject to the resolution of the possible conflict the proposed appointments would be discussed with the Auditor General for Scotland.	<b>RFrith</b>	<b>Mar 2016</b>
<b>3.</b>	<b>Openness and Transparency: Publication of Board Papers</b>		
	<b>Martin Walker joined the meeting.</b>		

	<p>Martin Walker introduced the report Openness and Transparency: Publication of Board Papers, a copy of which had been previously circulated.</p> <p>Martin introduced the report, which built on discussions at the meeting of the Board on 26 February 2016 whereby members agreed with the proposal to publish future Board papers and a further paper detailing the process and logistics around the identification of reports for publication which would be considered by them at their next meeting on 24 March 2016.</p> <p>During discussion, Management Team agreed guidance would need to be communicated with staff on the structure of reports, updated templates and process for submitting papers for the Board.</p> <p>Following discussion, Management Team noted Committee papers were not to be published at this time and holding Board meetings in public would be considered again later in the year.</p> <p>Management Team agreed to consider over the next few meetings how this could also work for this forum.</p>	<p><b>MWalker</b></p> <p><b>MWalker</b></p> <p><b>All</b></p>	<p><b>Apr 2016</b></p> <p><b>Sept 2016</b></p> <p><b>Apr 2016</b></p>
<b>4.</b>	<b>Internal Audit 2015/16</b>		
	<p>Martin Walker introduced the Internal Audit 2015/16 report, which had been previously circulated.</p> <p>Martin invited Management Team to note the two internal reports on financial planning and IT strategy had received substantial assurance and welcomed any comments, subject to which these would be submitted to the Audit Committee for their consideration on 4 May 2016.</p> <p>During discussion, Management Team welcomed the assurance provided and acknowledged the two low recommendations.</p> <p>Following discussion, Management Team approved the submission of the reports to the Audit Committee and noted the next internal audit reports due were on the Cost of Audit and Follow up report.</p> <p><b>Martin Walker left the meeting.</b></p>	<p><b>MWalker/ ADevlin</b></p>	<p><b>May 2016</b></p>
<b>Standing Items</b>			
<b>5.</b>	<b>Draft Agenda: Management Team – 15 March 2016</b>		

	<p>Management Team noted the draft agenda.</p> <p>In light of his apologies for this meeting, Russell Frith shared his comments in relation to the VERA item which would be considered.</p>		
<b>6.</b>	<b>Key messages to colleagues</b>		
	- Internal Audit		
<b>7.</b>	<b>AOB</b>		
	<p><b>Audit Strategy</b></p> <p>Russell Frith provided an overview of the team's strategy day on Monday 7 March and welcomed Management Team's considered of a change in the team's current name.</p> <p>Following discussion, Management Team agreed to consider this further and would do so as part of the refresh of the Corporate Plan.</p>	<b>RFrith</b>	<b>May 2016</b>
<b>8.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 15 March 2016.</b></p> <p><b>Apologies: Russell Frith</b></p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 1 MARCH 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen  
Caroline Gardner  
Russell Frith  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: None

In attendance: David Blattman and Rachel Parker *items 2,3, 4 and 5*  
Martin Walker and Lynn Scott *item 3*  
Tracey Bray and Bruce Stoddart *item 5*  
Gordon Smail *item 7*  
Stephen Boyle *items 7 and 9*  
Angela Canning and Kirsty Gibbins *item 8*

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 23 February 2016, were discussed and agreed as an accurate record of the meeting.</p> <p><b>Matters Arising</b></p> <p>Diane McGiffen provided a summary of the business discussed at the Board and Audit Committee meetings on 26 February, including a query regarding our Communications Strategy in light of the internal review on Communications and External Engagement, and in connection with our risk management work our undertaking to develop this with the Chair of the Audit Committee and Martin Walker over the next couple of months.</p>	<p><b>JWebber</b></p> <p><b>DMcGiffen/ MWalker</b></p>	<p><b>Feb 2016</b></p> <p><b>Apr 2016</b></p>
<b>2.</b>	<b>VERA Update</b>		
	<p><b>David Blattman and Rachel Parker joined the meeting.</b></p> <p>David Blattman advised Management Team there was no material change to report since the previous discussion and confirmed all pension details had now been provided in each case.</p> <p>Each member of Management Team provided a brief update in relation to their respective team. Following discussion Management Team noted the cases would come back to Management Team for consideration on 15 March 2016.</p>	<p><b>DBlattman/ RParker</b></p>	<p><b>Mar 2016</b></p>

3.	<b>Business Support Services</b>		
	<p><b>Martin Walker and Lynn Scott joined the meeting.</b></p> <p>This item was considered as a confidential item and was recorded as such.</p> <p><b>Martin Walker and Lynn Scott left the meeting.</b></p>		
4.	<b>BaBO Update</b>		
	<p>David Blattman introduced the report on Building a Better Organisation, a copy of which had been previously circulated.</p> <p>David invited Management Team to note progress to date and welcomed any comments.</p> <p>Fiona Kordiak provided an overview of discussions from the recent knowledge café and discussions with the Leadership Group and invited colleagues to consider the emerging model for the job design.</p> <p>During detailed discussion, Management Team acknowledged that the framing of the zones was still in development stage, recognising skills would be the key driver as opposed to previous grade or job titles.</p> <p>Following discussion, Management Team agreed the proposed key essence and difference between each zone should be captured on one page which would be shared with colleagues. With regard to the naming of the zones, Management Team agreed these needed to be developed further and a communication to colleagues about what these changes will mean.</p> <p>Diane McGiffen suggested a discussion around the right forum for handling a project of this scale and scope and Management Team agreed the People Focus Group would consider the right support for this type of project balanced with business as usual work and develop a longer term plan to share with Management Team and staff.</p>	<p><b>DMcGiffen/ DBlattman</b></p>	<p><b>Apr 2016</b></p>

5.	<p><b>Attracting, Selection and Recruiting World Class People in a Digital World</b></p>		
	<p><b>Tracey Bray and Bruce Stoddart joined the meeting.</b></p> <p>David Blattman introduced the report on Attracting, Selection and Recruiting World Class People in a Digital World, which had been previously circulated.</p> <p>David invited Management Team to watch the explainer video created for Audit Scotland and welcomed any comments.</p> <p>Following the video, Management Team welcomed the video which was already being used on HR recruitment websites and agreed it should also appear on our website.</p> <p>Management Team agreed it would be useful to have a shorter version but welcomed the contribution this would have on our brand for the next 12 months.</p> <p><b>David Blattman, Rachel Parker, Tracey Bray and Bruce Stoddart left the meeting.</b></p>		
6.	<p><b>Communications Digest</b></p>		
	<p>Management Team welcomed the report and acknowledged the highlights and key issues over the past month, together with the forthcoming publications on Community Planning Partnerships, Changing models of health and social care and Local government in Scotland.</p>		
7.	<p><b>Hotlist of Emerging Audit Risks</b></p>		
	<p><b>Stephen Boyle and Gordon Smail joined the meeting.</b></p> <p>Stephen Boyle introduced the Hotlist of Emerging Audit Risks report, which had been previously circulated.</p> <p>Stephen invited Management Team to note the four updates and two new risks which had been added to the hotlist.</p> <p>Following detailed discussion, Management Team welcomed the update and agreed with the proposal to move other items to the watchlist, recognising these would continue to be monitored and the closure of additional items.</p> <p>In relation to the report published on T in the Park, Fraser agreed the team to consider a response on the conclusions</p>		

	<p>to Ms Scanlon and any other route.</p> <p><b>New Financial Powers</b> As an additional item, Gordon Smail thanked Management Team for allowing this item to come to this meeting to provide an update following the recent report on the New Fiscal Framework.</p> <p>Gordon invited Management Team to note developments were happening quickly, for example there was due to be an announcement on social security, and the team were keen to develop our involvement and welcomed any thoughts from Management Team on doing that.</p> <p>During detailed discussion, Management Team agreed there was a need for a high level stocktake on what we want to say and how we get our communications strategy right, including continued engagement with the committees as part of our desire to help and advise. As part of that, we could assist with the orientation of new members as part of the CPD/induction programme which Caroline Gardner had discussed with David McGill.</p> <p>Following discussion, Gordon agreed to send a short letter to interested parties, consider adding a support link to our website and getting tweets out.</p> <p>In response to a query whether there was need for additional support to the team, Gordon advised they were comfortable to manage for a short period while considering what additional support might be needed for the medium term in light of forthcoming reporting work in the Autumn.</p> <p>Management Team also reflected on the knowledge café the previous day which helped to place the importance of this on the map for public finance.</p>		
8.	<b>Improving Parliamentary Engagement</b>		
	<p><b>Angela Canning and Kirsty Gibbins joined the meeting.</b></p> <p>Fraser McKinlay introduced the report on Improving Parliamentary Engagement, a copy of which had been previously circulated before inviting Kirsty Gibbins to seek comments on the presentation to consider how we can improve.</p> <p>Management Team welcomed the report and presentation and following consideration of the suggestions presented welcomed the opportunity to inform the thinking around improved engagement and the strategy to do this.</p>		

	<p>Following discussion, Management Team agreed the team would come back with a strategy and plan building in resource/skills needs.</p> <p><b>Angela Canning and Kirsty Gibbins left the meeting.</b></p>	<b>ACanning/ KGibbins</b>	<b>TBC</b>
<b>9.</b>	<b>Public Sector Audit Risk Monitoring</b>		
	<p>Stephen Boyle introduced the Public Sector Audit Risk &amp; Assurance Framework report, which had been previously circulated.</p> <p>Stephen invited Management Team to note the refined audit risk and assurance arrangements and consider the risks identified through these arrangements and proposed responses.</p> <p>During discussion, Management Team reflected on the development and implementation of the public sector audit risk framework, noting the significant emerging or increasing risks, agreeing the themes could be usefully developed to provide more context.</p> <p>Management Team considered IT in the public sector and agreed we should endeavour to capture this fully and build our knowledge of solutions elsewhere to enable us to consider what we might do more strategically here in Scotland. Management Team also considered the potential impact of the European referendum.</p> <p>Following discussion, Stephen advised Management Team that the mechanics of making this real relied on resource and ensuring the clusters groups captured information.</p> <p>Management Team welcomed the update and Fraser agreed he would reference this in his forthcoming blog. In terms of sharing with firms, Stephen would discuss with his leadership colleagues and would link the internal communication with the refresh of the corporate plan.</p> <p><b>Stephen Boyle and Gordon Smail left the meeting.</b></p>		
<b>Standing Items</b>			
<b>10.</b>	<b>Draft Agenda: Management Team – 8 March 2016</b>		
	Management Team noted the draft agenda.		
<b>11.</b>	<b>Key messages to colleagues</b>		
	- BaBO – Job Design Workshops		

	- Recruiter video		
<b>12.</b>	<b>AOB</b>		
	There were no further items of business.		
<b>13.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 8 March 2016.</b>  <i>Please give your apologies to Joy Webber (x1606)</i>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 23 FEBRUARY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Diane McGiffen  
 Russell Frith  
 Fraser McKinlay  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: Caroline Gardner

In attendance: Owen Smith *item 2*  
 Paul Reilly *item 4*

1.	<b>Minutes</b>		
	<p>The draft minutes dated 9 February 2016, were discussed and agreed as an accurate record of the meeting.</p> <p><b>Matters Arising</b>          Russell Frith advised Management Team he and Martin Walker had had an initial discussion, during which Martin agreed to draft a note for wider engagement as part as a one organisation approach. With regard to timing, Russell advised they would explore what was possible for October and provide an update to Management Team in March as to available options.</p>	<p><b>JWebber</b></p> <p><b>RFrith/ MWalker</b></p>	<p><b>Feb 2016</b></p> <p><b>Mar 2016</b></p>
2.	<b>Code of Audit Practice – Post Consultation</b>		
	<p><b>Owen Smith joined the meeting.</b></p> <p>Russell Frith introduced the report on Code of Audit Practice – Post Consultation, a copy of which had been previously circulated.</p> <p>Russell invited Management Team to comment on the outcome for the consultation and welcomed any other comments on the proposed changes before approving the updated Code for submission to the Accounts Commission meeting on 10 March 2016.</p> <p>During detailed discussion, Management Team noted the good response which had influenced the setting out of clear expectations around the widened scope of the updated Code, while accepting there was still work to do in relation to the guidance which would support the Code.</p> <p>Management Team welcomed the level of responses received while acknowledging the need for a more strategic</p>		

	<p>communication plan to raise awareness and engagement going forward. As part of developing the communication of the new Code, Management Team agreed there was potential to achieve good coverage if linked with the new appointments. Russell agreed he and the team would liaise with Communications to develop.</p> <p>During discussion, Management Team shared detailed drafting comments on the Code, and agreed Russell would draft the Foreword in advance of submission to the Accounts Commission.</p> <p>Russell and Owen Smith welcomed the comments and advised the next steps would be to update the Code to reflect comments received today. Russell would then draft the foreword before sharing with the Auditor General for Scotland and the Accounts Commission in March for any further input. Thereafter Communications would review prior to launch which was proposed at the same time as the new audit appointments in mid May.</p> <p>In response to a query as to whether the Code would go to the Public Audit Committee, Fraser advised he would flag this with Angela Canning to raise with them and to consider as part of the induction for the new PAC in due course.</p> <p><b>Owen Smith left the meeting.</b></p>	<p><b>RFrith/ OSmith</b></p> <p><b>Mar 2016</b></p> <p><b>FMcKinlay</b></p> <p><b>Mar 2016</b></p>	
<b>3.</b>	<b>Internal Audit 2015/16</b>		
	<p>Diane McGiffen introduced the Internal Audit 2015/16 report, which had been previously circulated.</p> <p>Management Team noted the circulation and approval for the two internal reports relating to Communications and stakeholder engagement (reasonable assurance) and PABV programme development (substantial assurance) which would be considered by the Audit Committee at its meeting on 26 February 2016.</p>		
<b>Standing Items</b>			
<b>4.</b>	<b>Draft Agenda: Accounts Commission – 10 March 2016</b>		
	<p><b>Paul Reilly joined the meeting.</b></p> <p>Paul Reilly introduced the Draft Agenda, Accounts Commission, 10 March 2016, which had been previously circulated.</p> <p>Paul invited Management Team to note the agenda and welcomed any comments. Management Team noted the agenda and requested clarification of authors and their respective papers. In relation to had no further comment.</p>		

	<p><b>Accounts Commission Strategy Session</b></p> <p>Paul introduced the proposed agenda for the forthcoming Accounts Commission Strategy Session, which had been previously circulated as an additional paper for the meeting. Paul invited Management Team to note the proposed agenda for the session to be held on 15 and 16 March and welcomed any comments.</p> <p>During discussion, Management Team noted the whole seminar would be facilitated by Paul Foley which consisted of a panel session on policy environment, discussion around the quality of product delivered, strategy and engagement and a final session on the Accounts Commission's work.</p> <p>Management Team noted the proposed format and welcomed the opportunity to contribute, agreeing with a collective discussion around risks faced in the public sector and debating the usefulness of a risk register for the Accounts Commission.</p> <p><b>Paul Reilly left the meeting.</b></p>		
<b>5.</b>	<b>Draft Agenda: Management Team – 1 March 2016</b>		
	Management Team noted the draft agenda.		
<b>6.</b>	<b>Key messages to colleagues</b>		
	- Code of Audit Practice		
<b>7.</b>	<b>AOB</b>		
	Fraser McKinlay and Diane McGiffen provided Management Team with a verbal update following the Property Steering Group meeting yesterday, Monday 22 February, advising a final meeting to formally close the project was to be scheduled in May 2016.		
<b>8.</b>	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 1 March 2016.</b>		
	<b><i>Please give your apologies to Joy Webber (x1606)</i></b>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 9 FEBRUARY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Russell Frith (Chair)  
 Caroline Gardner  
 Fraser McKinlay  
 Fiona Kordiak  
 Martin Walker  
 Joy Webber (Minutes)

Apologies: Diane McGiffen

In attendance: Rachel Parker *items 2 and 3*  
 David Hanlon *items 2, 3 and 4*  
 Dorothy Lavery/Iain Lochhead *item 7*  
 Alex Devlin *items 8 and 9*

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 2 February 2016, were discussed and agreed as an accurate record of the meeting, subject to minor amendment.</p> <p><b>Matters Arising</b>          Martin Walker advised that further to discussions on the Hotlist of Emerging Audit Risks Stephen Boyle would be attending the Board meeting in February to present on public sector risk monitoring.</p>	<b>JWebber</b>	<b>Feb 2016</b>
<b>2.</b>	<b>VERA Overview</b>		
	<p><b>Rachel Parker and David Hanlon joined the meeting.</b></p> <p>This item is the subject of a separate confidential minute.</p>		
<b>3.</b>	<b>Pay Paper</b>		
	<p>This item is included in a separate confidential minute.</p> <p><b>Rachel Parker left the meeting.</b></p>		
<b>4.</b>	<b>Review of Funding and Fees</b>		
	<p>Russell Frith invited Fraser McKinlay to chair this item of business.</p> <p>Russell introduced the Review of Funding and Fees report, which had been previously circulated.</p> <p>Russell invited Management Team to comment on the draft Board paper which sought their agreement to timescales and the direction of travel towards a more transparent and</p>		

	<p>sustainable fee arrangement.</p> <p>Russell advised Diane McGiffen had shared her comments on the presentation of the report.</p> <p>Management Team welcomed the report and discussed the current fee model which, while complex, was based on decisions following the impact analysis of costs and taking account of sector issues.</p> <p>Acknowledging the ambition to provide a clear and simple communication to customers and our stakeholders, Management Team welcomed the development of simplifying the classification of costs, to aid more transparency upfront about the different elements of fees.</p> <p>Following detailed discussion, Management Team agreed with the overall approach, recognising the opportunity to develop our feeing strategy with the support of the Board.</p> <p>Turning to our funding arrangements, Management Team recognised the need to keep this under review but agreed with the principles as set out.</p> <p>Following detailed discussion, Management Team provided additional comments on the content of the report and queried resource for the work given the timetable. Russell advised he was comfortable with the proposed timetable and he and David Hanlon were taking forward the work on what needed to be done for working through the sector costs.</p> <p>Russell thanked Management Team for their comments and requested any more by the end of the week.</p> <p><b>David Hanlon left the meeting.</b></p>		
5.	<b>Q3 Corporate Performance Report</b>		
	<p>Martin Walker introduced the Q3 Corporate Performance Report, which had been previously circulated.</p> <p>Martin invited Management Team to note overall performance was on target with all 129 ASG audits completed on or ahead of schedule, the new website had been launched, Audit Scotland's operating costs were running under budget, Audit Scotland had retained its 'One to Watch' and 82% of our trainees had passed their final test of professional expertise examination for the ICAS qualification.</p> <p>Management Team welcomed the report which provided assurance on continued good performance during Q3.</p>		

	<p>Martin highlighted objective 3.6 which had been considered and challenged by the PRMG to change to status to amber, recognising that while there had been lots of activity the results in the Best Companies survey flagged colleagues felt there was more we could do. Management Team discussed the need to continue to raise the bar, and Martin advised this would be at the forefront of the annual and Q3 reporting.</p> <p>Martin advised Management Team that work on the new reporting framework was currently behind schedule but expected this to be in place for Q1 2016/17 reporting.</p> <p>Management Team welcomed the update and agreed Martin, Russell Frith and David Hanlon would liaise on time recording and cost management systems.</p>	<p><b>MWalker/ RFrith/ DHanlon</b></p>	
<b>6.</b>	<b>Q3 Becoming World Class Improvement Programme</b>		
	<p>Martin Walker introduced the Q3 Becoming World Class Improvement Programme Report, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to note the significant milestones achieved specifically in relation to tender interviews, the BABO job design workshops and Making a Difference workstreams.</p> <p>Management Team welcomed the progress reported and agreed this prompted a need to communicate more widely. Management Team noted that the Inverness and Glasgow office projects should also be referenced within the report.</p> <p>Martin acknowledged that while the information was available in an unrestricted area and also shared via blogs it would be useful to refresh the roadmap of Becoming World Class and he agreed to liaise with communications on this as well as the development of a more strategic plan to embed this work as part of the development programme.</p>	<p><b>MWalker</b></p>	<p><b>Feb 2016</b></p>
<b>7.</b>	<b>Q3 Correspondence Performance Report</b>		
	<p><b>Dorothy Lavery and Iain Lochhead joined the meeting.</b></p> <p>Iain Lochhead introduced the report Q3 Correspondence Performance Report, a copy of which had been previously circulated.</p> <p>Iain invited Management Team to note the overall improvement on performance in terms of meeting</p>		

	<p>acknowledgement and response timescales together with efforts to continue to improve the overall correspondence service. Acknowledgement responses would be monitored over the next quarter to assess whether this could be reduced further.</p> <p>Management Team acknowledged the continued improvement report on performance and service and welcomed the work underway to provide a more user friendly interaction for correspondents, in the way we communicate and guide people through the process and policies. Dorothy Lavery agreed to liaise with James Gillies to seek communications input.</p> <p>Dorothy Lavery advised Management Team of the benefits of improved engagement across the business, for example attending cluster meetings identified the need to link in with ASG colleagues on the forthcoming land reform act changes.</p> <p>Management Team thanked Dorothy and Ian for the update.</p> <p><b>Dorothy Lavery and Iain Lochhead left the meeting.</b></p>		
<b>8.</b>	<b>Internal Audit Reporting</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p>Alex Devlin introduced the report on Internal Audit Reporting, which had been previously circulated.</p> <p>Alex invited Management Team to note the substantial assurance received for Procurement of Audit which reviewed the process up to the tenders being issued, receiving one recommendation to consider a formal policy on reappointment of firms is developed, aligned to the EU Audit Directive and Regulation limits. Russell Frith advised this was under consideration given 20 years was more generous than our current practice.</p> <p>Alex advised Management Team that two more audit reports were almost finalised, PABV Programme development receiving substantial assurance, and Communications and Engagement achieving reasonable assurance. Both reports were with bdo for finalising and subject to any further comments requested these could be included with the papers for the Audit Committee meeting on 26 February 2016. Alex advised he would share the final reports and seek agreement by email.</p>	<b>A Devlin</b>	<b>Feb 2016</b>
<b>9.</b>	<b>Business Continuity Plan – Annual Review</b>		
	Alex Devlin introduced the Business Continuity Plan report,		

	<p>a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the review and update to our arrangements and approve these for submission to the Audit Committee for their consideration.</p> <p>Management Team welcomed the update and during discussion, queried the ability to access information using one mobile device. Alex advised that ISG were undertaking testing to ensure access was secure and test of the plan would follow in due course.</p> <p><b>Alex Devlin left the meeting.</b></p>		
<b>Standing Items</b>			
<b>10.</b>	<b>Accounts Commission Committees – 24 March 2016</b>		
	<p>Fraser McKinlay invited Management Team to consider the draft agenda for the meeting of the Accounts Commission Committees on 24 March 2016.</p> <p>During discussion, Management Team agreed Russell Frith would liaise with Paul Reilly about scheduling a briefing on the latest FRC Thematic Review for the FAC.</p>	<b>RFrith</b>	<b>Feb 2016</b>
<b>11.</b>	<b>Draft Agenda: Remco – 26 February 2016</b>		
	<p>Russell invited Management Team to note the proposed agenda for the meeting of Remco on 26 February 2016.</p> <p>Management Team noted the agenda.</p>		
<b>12.</b>	<b>Draft Agenda: Management Team – 23 February 2016</b>		
	Joy Webber would separately circulate a copy of the proposed agenda.	<b>JWebber</b>	<b>Feb 2016</b>
<b>13.</b>	<b>Key messages to colleagues</b>		
	- Q3 Performance		
<b>14.</b>	<b>AOB</b>		
	There were no further items of business.		
<b>15.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 23 February 2016.</b></p> <p>Caroline Gardner advised of her apologies for the forthcoming meeting.</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		



**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 2 FEBRUARY 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Russell Frith  
Caroline Gardner  
Fraser McKinlay  
Diane McGiffen  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: None

In attendance: James Gillies and Stephen Boyle *items 2 and 3*  
David Hanlon *items 4 and 5*  
Alex Devlin *items 6 and 7*  
Martin Walker *items 7, 8 and 9*

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 26 January 2016, were discussed and agreed as an accurate record of the meeting, subject to minor amendment.</p> <p><b>Matters Arising</b> Russell Frith and Fiona Kordiak advised Management Team that in relation to the Independent Inspection of ASG Audits, there was a meeting with ICAS today to take this review forward.</p>	<b>JWebber</b>	<b>Feb 2016</b>
<b>2.</b>	<b>Communications Digest</b>		
	<p><b>James Gillies and Stephen Boyle joined the meeting.</b></p> <p>James Gillies introduced the Communications Digest report, which had been previously circulated.</p> <p>James invited Management Team to note the amount of coverage received on the Scottish Government and local authorities funding arrangements, the press conference held by the PAC in relation to the Coatbridge College report and other publications in January. James also highlighted forthcoming reports.</p> <p>Management Team welcomed the report and following discussion on the FOI request received, James Gillies agreed to share a copy of the response for information.</p>	<b>JGillies</b>	<b>Feb 2016</b>
<b>3.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Stephen Boyle introduced the Hotlist of Emerging Audit Risks report, a copy of which had been previously circulated.</p>		

	<p>Stephen invited Management Team to note of the seven risks set out, four had been updated, there was one new risk identified and Management Team were invited to agree with the proposal to move two items to the watchlist.</p> <p>Following detailed discussion, Management Team thanked Stephen for the update and agreed he and Diane McGiffen would liaise regarding the scheduled of the Public Sector Risk reporting for Management Team and the Board in early course.</p> <p><b>James Gillies and Stephen Boyle left the meeting.</b></p>	<p><b>SBoyle/ DMcGiffen</b></p>	<p><b>Feb 2016</b></p>
<b>4.</b>	<b>2015-16 Year End Statutory Accounts Timetable</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the report on 2015-16 Year End Statutory Accounts Timetable, a copy of which had been previously circulated.</p> <p>David invited Management Team to note and agree the proposed timetable for the completion of the Statutory Accounts for the year ending 31 March 2016.</p> <p>Management Team noted the timings and following discussion around the statutory requirements of reporting for Audit Scotland and local authorities, Russell Frith agreed to consider best practice for the Auditor General for Scotland's remit. Management Team approved the proposed timetable and Diane McGiffen advised she would liaise with the Chair in advance of the Audit Committee meeting.</p>	<p><b>RFrith</b></p> <p><b>DMcGiffen</b></p>	<p><b>Feb 2016</b></p> <p><b>Feb 2016</b></p>
<b>5.</b>	<b>2017/18 Budget Process and Timetable</b>		
	<p>David Hanlon introduced the 2017/18 Budget Process and Timetable report, which had been previously circulated.</p> <p>David invited Management Team to consider and agree that the budget process commences in February 2016 through a review of our workforce projections and the impact on operation budgets and approve the revised 2017/18 budget and workforce plan timetable.</p> <p>Management Team discussed the need to ensure the Funding and Fees Strategy was aligned in terms of timing and Russell Frith and David Hanlon agreed to update the timetable accordingly.</p> <p>Following further discussion, Management Team agreed the updated timeline would be presented to the Board at their meeting in March alongside the proposed operational</p>	<p><b>DHanlon /RFrith</b></p>	<p><b>Mar 2016</b></p>

	<p>budget.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>6.</b>	<b>Internal Audit Plan 2016/17</b>		
	<p><b>Alex Devlin joined the meeting.</b></p> <p>Alex Devlin introduced the Internal Audit Plan 2016/17 report, which had been previously circulated.</p> <p>Alex invited Management Team to note and discuss the plan which had been updated to reflect the scheduling of internal audit work prior to its consideration by the Audit Committee at its meeting on 26 February 2016.</p> <p>Following discussion, Management Team agreed they were content with the proposed timing of audits and approved its submission to the Audit Committee.</p>		
<b>7.</b>	<b>Update on Internal Audit Recommendations</b>		
	<p>Alex Devlin introduced the Update on Internal Audit Recommendations report, a copy of which had been previously circulated.</p> <p>Alex invited Management Team to note the update on progress towards implementation of internal audit recommendations and to approve its submission to the Audit Committee.</p> <p>Following discussion, Management Team noted there were three recommendations missing and Alex agreed to liaise with Martin in relation to the narrative for each prior to its issue to the Audit Committee. In addition, Management Team agreed the narrative around ISO27001 required to be updated and requested David Robertson also be available to join future discussions with Management Team and the Audit Committee to discuss the recommendations.</p> <p><b>Alex Devlin left the meeting.</b></p>	<p><b>ADevlin/ MWalker</b></p> <p><b>ADevlin/ DRobertson</b></p>	<p><b>Feb 2016</b></p> <p><b>Feb 2016</b></p>
<b>8.</b>	<b>Audit Service Quality Survey – 2014/15 LG Audits</b>		
	<p><b>John Gilchrist joined the meeting.</b></p> <p>John Gilchrist introduced the Audit Service Quality Survey – 2014/15 LG Audits report, which had been previously circulated.</p> <p>John invited Management Team to note the findings from this year’s local government audit service quality survey which is undertaken as part of our audit quality appraisal framework.</p>	<b>MWalker</b>	<b>Feb 2016</b>

	<p>During discussion, Management Team noted that while the level of respondents had reduced slightly, 95% of responses received were positive about the high quality of service received.</p> <p>Following detailed discussion, Management Team welcomed the overall improvement, noting the areas where most impact reported was in relation to governance and financial management and more transparency on reporting.</p> <p><b>John Gilchrist left the meeting.</b></p>		
<b>9.</b>	<b>Financial Reporting Council – Audit Quality Thematic Review</b>		
	<p>Russell Frith introduced the report to the Audit Committee on Financial Reporting Council – Audit Quality Thematic Review, which had been previously circulated.</p> <p>Russell invited Management Team to note the key messages from the review following the FRC’s inspections of audit firm’s quality arrangements, what the findings mean for audit firms and Audit Committees alike, the good practices observed and the implications for our work.</p> <p>Management Team welcomed the report and following detailed discussion around the implications for us, invited the PSQI Group to extract and report back to Management Team on recommendations.</p>	<b>R Frith/ CHislop</b>	<b>Feb 2016</b>
<b>Standing Items</b>			
<b>10.</b>	<b>Draft Agenda: Management Team – 9 February 2016</b>		
	Management Team noted the proposed agenda and two additional items which would be discussed at the meeting on 9 February 2016.		
<b>11.</b>	<b>Key messages to colleagues</b>		
	<ul style="list-style-type: none"> <li>- Financial Reporting</li> <li>- Internal Audit</li> </ul>		
<b>12.</b>	<b>AOB</b>		
	<p><b>(a) BABO</b> Fiona Kordiak provided Management Team with a verbal update on the Job Design workshops and advised of the forthcoming knowledge cafes scheduled for the end February/beginning of March for colleagues.</p>		

	<p><b>(b) Board</b>  Diane McGiffen provided an update to Management Team in relation to the agenda for the meeting of the Board on 26 February 2016.</p>		
<b>13.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on:  <b>Tuesday 9 February 2016.</b></p> <p>Diane McGiffen advised of her apologies due to her attending a conference with Future of Work in London. Russell Frith agreed to chair the meeting in her absence.</p> <p><b><i>Please give your apologies to Joy Webber (x1606)</i></b></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
MINUTE OF MEETING HELD ON 26 JANUARY 2016  
IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Russell Frith  
Caroline Gardner  
Fraser McKinlay  
Diane McGiffen  
Fiona Kordiak  
Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*  
Owen Smith and John Gilchrist *items 3, 4, 5 and 6*  
Elaine Boyd *item 4*  
Martin Walker *items 7, 8 and 9*

<b>1.</b>	<b>Minutes</b>		
	<p>The draft minutes dated 12 January 2016, were discussed and agreed as an accurate record of the meeting.</p> <p><b>Matters Arising</b> Fiona Kordiak advised Management Team that haa design had visited the Glasgow office yesterday and Management Team agreed we would undertake occupancy surveys of the office in early course</p>	<b>JWebber</b>	<b>Jan 2016</b>
<b>2.</b>	<b>Year End Forecast – 9 months to December 2015</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the report Year End Forecast – 9 months to December 2015, a copy of which had been previously circulated and discussed.</p> <p>David introduced the report advising Management Team to note the overall results were consistent with the year end forecast as previously discussed. Areas to note included the phasing of fee income reported was down, we were currently behind on spend in relation to training and PABV were in the process of confirming the position with regard to the consultancy budget.</p> <p>During detailed discussion, Management Team considered the funding for this years VERA scheme.</p> <p>David Hanlon advised Management Team's of approval received to bring back the Finance Department Structure report, which had been deferred from Management Team meeting on 1 December 2015. Alongside the structure, the</p>	<b>FMcKinlay</b>	<b>Jan 2016</b>
		<b>DHanlon/ MWalker</b>	<b>Feb 2016</b>

	<p>role of the Finance department in supporting the development of our performance reporting framework and the need for additional resource would form part of a more comprehensive review of the Corporate Reporting arrangements for Audit Scotland.</p> <p>Fiona Kordiak would also consider as part of the job design work the process to be adopted to manage job redesign and regradings in the period until that work is completed.</p> <p>Following discussion, Management Team noted ASG would continue to review WIP in light of anticipated additional fee income.</p> <p><b>David Hanlon left the meeting.</b></p>	<b>FKordiak</b>	<b>Feb 2016</b>
<b>3.</b>	<b>2016 Tender Exercise</b>		
	<p><b>Owen Smith and John Gilchrist joined the meeting.</b></p> <p>This report was taken as a confidential item given the commercially sensitive information reported.</p>		
<b>4.</b>	<b>Preparing for the New Appointments 2016-21</b>		
	<p>Elaine Boyd introduced the report on Preparing for the New Appointments 2016-21, a copy of which had been previously circulated.</p> <p>Elaine invited Management Team to note the timetable and proposed group structure to support the introduction and transition to the new audit appointments in Autumn 2016. Elaine also invited Management Team to consider the programme of activity planned over the coming months and welcomed any comments or suggestions.</p> <p>Management Team thanked Elaine for the report which reflected joined up engagement across the organisation and the welcomed the proposed activity on key issues identified.</p> <p>Following discussion, Management Team invited Elaine to liaise with James Gillies and Joanna Mansell to develop a communication strategy to ensure a smooth, open and transparent handover which in turn would provide comfort to audited bodies. Elaine agreed to come back to Management Team with a further update.</p> <p><b>Elaine Boyd left the meeting.</b></p>	<b>EBoyd</b>	<b>Sept 2016</b>

5.	<b>Funding and Fees Progress and 2016 Plan</b>		
	<p>Russell Frith introduced the Funding and Fees Progress and 2016 Plan report, which had been previously circulated.</p> <p>Russell invited Owen Smith to summarise the issues to be addressed during 2016, progress to date, further work to be undertaken and the outline scope of consultation with stakeholders on the proposed changes to sector charges, the result of which would lead to more transparency and a simpler fee strategy for the next audit and financial year.</p> <p>Following detailed discussion, Management Team agreed to review a detailed breakdown of the proposed changes to funding in order to consider what options that may bring to widen the scope of work for NHS Performance Audit, Police and Fire Performance Audit and Best Value examinations and IJBs.</p> <p>With regard to sector fees, Management Team agreed further analysis was required on costs to ensure efficiency, the pooling of any discounts and overall transparency.</p> <p>Russell and Owen agreed to involve Fiona Daley to broaden our thinking and engage further to develop our thinking and proposals on funding and fees and would return to Management Team, and thereafter the Board, with further analysis together with a proposed timetable.</p>	<b>RFrith/ OSmith</b>	<b>Feb 2016</b>
6.	<b>Independent Inspection of ASG Audits</b>		
	<p>Russell Frith introduced the report on Independent Inspection of ASG Audits, a copy of which had been previously circulated.</p> <p>Russell invited Management Team to note the proposals to procure independent inspection of ASG audits to provide assurance as to the quality of work undertaken.</p> <p>Management Team discussed tender strategy as set out and agreed as a minimum to seek an ICAS review in this financial year.</p> <p>Following further discussion, Management Team approved the ICAS review and welcomed a further discussion to consider the options for the next five years.</p> <p><b>Owen Smith and John Gilchrist left the meeting.</b></p>	<b>RFrith</b>	<b>Mar 2016</b>

<b>7.</b>	<b>Openness and Transparency of Board Business</b>		
	<p><b>Martin Walker joined the meeting.</b></p> <p>Martin Walker introduced the report on Openness and Transparency of Board Business, a copy of which had been previously circulated.</p> <p>Martin invited Management Team to note the update to the previous report which included an amendment to make Board papers publically available and welcomed any comments.</p> <p>Following discussion, Management Team agreed with the principle of making papers available for meetings of the Board and suggested a minor change to the ordering of the report.</p>	<b>MWalker</b>	<b>Feb 2016</b>
<b>8.</b>	<b>Risk Management</b>		
	<p>Martin Walker introduced the Risk Management Report, which had been previously circulated.</p> <p>Martin invited Management Team to review the risk register and risk interrogation reports and consider any additional actions in advance of the reports being considered by the Audit Committee on 26 February 2016.</p> <p>Management Team discussed the risk register noting there was only one change in relation to ASG connectivity issues, which was also the subject of the risk interrogation. Management Team acknowledged the ongoing work and planned actions and agreed this should be captured more fully in the narrative of the risk register together with a timetable of planned actions.</p>	<b>MWalker</b>	<b>Feb 2016</b>
<b>9.</b>	<b>Data Incident/Loss</b>		
	<p>Management Team noted the report on Data Incident/Loss, a copy of which had been previously circulated.</p> <p>Management Team noted the data incident/loss which had occurred and agreed with the proposal to capture the loss of I badges and access tokens as part of this report going forward.</p> <p><b>Martin Walker left the meeting.</b></p>		

<b>Standing Items</b>			
<b>10.</b>	<b>Draft Accounts Commission Agenda – 11 February 2016</b>		
	Management Team noted the draft agenda for the meeting of the Accounts Commission on 11 February 2016.		
<b>11.</b>	<b>Draft Agenda: Management Team – 2 February 2016</b>		
	Management Team noted the proposed agenda for the meeting on 2 February 2016.		
<b>12.</b>	<b>Key messages to colleagues</b>		
	<ul style="list-style-type: none"> <li>- Financial performance to December 2015</li> <li>- Funding and Fees</li> <li>- Preparing for the New Appointment 2016-21</li> <li>- Data Incident/Loss</li> </ul>		
<b>13.</b>	<b>AOB</b>		
	<p><b>(a) UK Supreme Audit Institutions</b> Caroline Gardner and Diane McGiffen provided a verbal update following the meeting in Cardiff on 22 January 2016 and advised the next meeting would be held at Audit Scotland in the summer.</p> <p><b>(b) Leadership Group</b> Management Team agreed the meeting should move to the earlier date in March and following the last session in December, the commitment made by the group to continue with informal discussions with colleagues from across the business.</p>		
<b>14.</b>	<b>Date of next meeting</b>		
	<p>The next Management Team meeting will be held on: <b>Tuesday 2 February 2016.</b></p> <p><i>Please give your apologies to Joy Webber (x1606)</i></p>		

**AUDIT SCOTLAND MANAGEMENT TEAM  
 MINUTE OF MEETING HELD ON 12 JANUARY 2016  
 IN AUDIT SCOTLAND'S OFFICES AT 102 WEST PORT, EDINBURGH.**

Present: Russell Frith  
 Caroline Gardner  
 Fraser McKinlay  
 Diane McGiffen  
 Fiona Kordiak  
 Joy Webber (Minutes)

Apologies: None

In attendance: David Hanlon *item 2*  
 James Gillies *items 3 and 4*  
 Fiona Mitchell Knight *items 3, 4 and 5*  
 Carol Hislop *item 5*

1.	<b>Minutes</b>		
	<p>The draft minutes dated 15 December 2015, were discussed and agreed as an accurate record of the meeting, subject to minor amendment.</p> <p><b>Matters Arising</b>          Fiona Kordiak advised Management Team of discussions in relation to capacity in the Glasgow office which Mary would progress with David Hanlon and haa design.</p>	<b>JWebber</b>	<b>Jan 2016</b>
2.	<b>Review of Year End Forecast</b>		
	<p><b>David Hanlon joined the meeting.</b></p> <p>David Hanlon introduced the Review of the Year End Forecast report, a copy of which had been previously circulated and discussed.</p> <p>David provided an update on the increased level of underspend advising fee income was currently ahead of projection.</p> <p>During detailed discussion, Management Team agreed further planning would be required to run alongside any new audit appointments. In the meantime, Management Team agreed additional funding for the Securing World Class Audit workstream and small improvements to our offices in Glasgow, Aberdeen and Inverness. Fraser McKinlay advised of work underway to finalise the PABV consultancy budget.</p>		

	<p>David Hanlon advised the Q3 financials results would be available and Management Team agreed to review these at their next meeting.</p> <p>Management Team thanked David Hanlon for the update.</p> <p><b>David Hanlon left the meeting.</b></p>		
<b>3.</b>	<b>Communications Digest</b>		
	<p><b>James Gillies, Fiona Mitchell Knight and Carol Hislop joined the meeting.</b></p> <p>James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.</p> <p>James invited Management Team to note the amount of coverage over the last month, particularly in relation to Parliamentary business, Health and Social Care, Forth Road Bridge, SCPA budget review and the good coverage received on publications generally.</p> <p>Following discussion, Management Team noted the PAC press conference which was scheduled the following morning in relation to Coatbridge College.</p> <p>Management Team thanked James for the report.</p>		
<b>4.</b>	<b>Hotlist of Emerging Audit Risks</b>		
	<p>Fiona Mitchell Knight introduced the Hotlist of Emerging Audit Risks report, a copy of which had been previously circulated.</p> <p>Fiona invited Management Team to note the inclusion of four new risks, updates to existing audit risks and watchlist.</p> <p>Management Team discussed the emerging audit risks and agreed the impact of recent flooding should be captured here and as part of the Climate Change Cluster group.</p> <p>Management Team thanked Fiona for the report.</p> <p><b>James Gillies left the meeting.</b></p>		
<b>Becoming World Class</b>			
<b>5.</b>	<b>Building a Better Organisation</b>		
	<p>(a) CIPFA/ICAS Update</p> <p>Carol Hislop introduced the report New Joint ICAS/CIPFA Qualification, a copy of which had been previously circulated.</p>		

	<p>Carol invited Management Team to consider the revised proposals from CIPFA on the new joint qualification and decide whether Audit Scotland would pilot the scheme in 2016 taking account of the level spend and minimum numbers required to enable this pilot to go ahead.</p> <p>Following detailed discussion, Management Team agreed that given the number of people currently interested it wasn't financially viable to support the joint qualification this year and they wished to hold until next year.</p> <p>In the meantime, Management Team agreed Carol would liaise with CIPFA in relation to the promotion of the joint qualification to individuals and companies alike and agreed to involve our HR team to explore routes to school leavers.</p> <p><b>Fiona Mitchell Knight and Carol Hislop left the meeting.</b></p>		
<b>Standing Items</b>			
<b>6.</b>	<b>Draft Agenda: Management Team – 26 January 2015</b>		
	Management Team noted the proposed agenda for 26 January 2016 with the addition of the quality review of ASG audits.		
<b>7.</b>	<b>Key messages to colleagues</b>		
	- Communications Digest		
<b>8.</b>	<b>AOB</b>		
	<p><b>(a) Audit Procurement Update</b> Russell Frith provided a verbal update to advise Management Team on the Audit Procurement exercise.</p> <p><b>(b) Leadership Team</b> Diane McGiffen advised she would welcome a discussion on the development of the Assistant Director role, work allocation/portfolios and any future opportunities. Management Team agreed a meeting with Diane, Fraser McKinlay, Fiona Kordiak and Russell Frith to explore future development of the role.</p>		

9.	<b>Date of next meeting</b>		
	The next Management Team meeting will be held on: <b>Tuesday 26 January 2016.</b>  <i>Please give your apologies to Joy Webber (x1606)</i>		